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Vol. V

TRANSCRIPT OF RECORD

(Pages 2885 to 3321)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1960

No. 55

UNITED STATES, APPELLANT,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

FILED MARCH 11, 1960

PROBABLE JURISDICTION NOTED MAY 23, 1960

SUPREME COURT OF THE UNITED STATES

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VOL. V

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[fol. 3306] - GOVERNMENT TRIAL EXHIBIT No. 529

Extract From Minutes of Finance Committee Meeting
1074

January Seventeenth, 1955

E. I. du Pont de Nemours and Company

Question of du Pont Company Exercising its Rights to Subscribe for Additional Shares of General Motors Corporation Common Stock.

Reference was made to memorandum from R. R. Pippin, Treasurer, dated January 5, 1955, on above subject, which was reviewed at the Finance Committee's meeting on January 7th and copies of which were forwarded to the Board of Directors for consideration at its meeting on January 17th.

Supplemental memorandum from Mr. Pippin, dated January 12, 1955, was presented, covering question as to requirements of the Securities and Exchange Commission if the Company should acquire the additional shares of General Motors common stock and then find it desirable at a subsequent date to sell all or part of such shares.

After discussion with C. A. Rittenhouse, 3d, Director, Legal Department, it was unanimously agreed—

a) that it is the present sense of the Finance Committee that the du Pont Company should exercise its rights currently proposed to be issued by General Motors Corporation to subscribe for additional shares of General Motors common stock;

b) accordingly, to that end, that recommendation be made to the Board of Directors that it adopt resolution as per copy appended to the original minutes of this meeting.

The aforesaid memoranda from the Treasurer then were ordered filed.

[fol. 3307] GOVERNMENT TRIAL EXHIBIT No. 530

E. I. du Pont de Nemours and Company
Board of Directors

Question of du Pont Company Exercising its Rights to Subscribe for Additional Shares of General Motors Corporation Common Stock

Whereas, General Motors Corporation has announced its intention to issue additional common stock under an offering pursuant to which holders of the common stock of that Corporation will receive rights to subscribe for one new share of General Motors common stock for each 20 shares held, and it is expected that said subscription rights will be issued on or about February 8, 1955 and expire about March 7, 1955;

Whereas, it is expected that the du Pont Company will receive rights to subscribe for an additional 1,000,000 shares of General Motors common stock at a price to be announced about February 7, 1955, which it is anticipated will be in the range of $75 to $80 a share;

Whereas, it is the present sense of the Finance Committee that the du Pont Company should exercise its rights to subscribe for such additional shares promptly after said rights are received;

Resolved, that the Finance Committee of this Board of Directors hereby is authorized to direct the prompt exercise by the du Pont Company of all the rights it may receive to subscribe for General Motors Corporation common stock, pursuant to the contemplated offering by General Motors, provided that the subscription price per share fixed by General Motors does not exceed $90 per share and [fol. 3308] that the average of the high and low of the market prices per share of General Motors common stock on the New York Stock Exchange on the last market trading day preceding the exercise of the rights is not lower than the subscription price per share fixed by General Motors; it being understood that the Treasurer or First Assistant Treasurer of the du Pont Company shall have full authority to do all acts necessary or appropriate to the exercise of said rights, and the acquisition of General

Motors common stock pursuant thereto, in accordance with this resolution;

Resolved further, that if the Finance Committee, for any reason, shall decide that it is not desirable to exercise the du Pont Company's right to subscribe for aforesaid additional shares of General Motors Corporation common stock, the matter will be referred again to the Board of Directors for consideration prior to expiration of these subscription rights.

This is to certify that the foregoing is a true copy of resolution unanimously adopted by the Board of Directors of E. I. du Pont de Nemours and Company on January 17, 1955, and still is in full force and effect.

F. G. Hess, Secretary, E. I. du Pont de Nemours and Company.

Dated January 19, 1955.

38

[fol. 3309] GOVERNMENT TRIAL EXHIBIT No. 531

E. I. du Pont de Nemours & Company Incorporated
Wilmington, Delaware

January 17, 1955.

To: Board of Directors, E. I. du Pont de Nemours and Company

From: Finance Committee

cc: P. S. du Pont, 3rd

Question of du Pont Company Exercising its Rights to Subscribe for Additional Shares of General Motors Corporation Common Stock

At this morning's meeting o the Finance Committee, reference was made to memorandum from R. R. Pippin, Treasurer, dated January 5, 1955, on above subject, which was reviewed at the Finance Committee's meeting on January 7th and copies of which were forwarded to the Board of Directors for consideration at its meeting on January 17th.

Supplemental memorandum from Mr. Pippin, dated January 12, 1955, was presented, covering question as to requirements of the Securities and Exchange Commission if the Company should acquire the additional shares of General Motors common stock and then find it desirable at a subsequent date to sell all or part of such shares.

After discussion with C. A. Rittenhouse, 3d, Director, Legal Department, it was unanimously agreed—

a) that it is the present sense of the Finance Committee that the du Pont Company should exercise its rights currently proposed to be issued by General Motors Corporation to subscribe for additional shares of General Motors common stock; and—

b) accordingly, to that end, that recommendation be made to the Board of Directors that it adopt resolution as per copy appended to the original minutes of this meeting.

Copy of proposed Board of Directors' resolution is attached.

The aforesaid memoranda from the Treasurer then were ordered filed.

F. G. Hess, Secretary, Finance Committee.

38-encl.

[fol. 3310] GOVERNMENT TRIAL EXHIBIT NO. 532

R. R. Pippin—4
C. A. Kline, Jr.—2
H. W. Evans—2
C. A. Rittenhouse, III

E. I. du Pont de Nemours and Company
Finance Committee

Question of du Pont Company Exercising its Rights to Subscribe for Additional Shares of General Motors Corporation Common Stock

Whereas, the Board of Directors of the du Pont Company at meeting held January 17, 1955 authorized the Finance Committee to direct the prompt exercise by the du Pont

Company of all the rights it may receive to subscribe for General Motors Corporation common stock, pursuant to the contemplated offering by General Motors, provided that the subscription price fixed by General Motors does not exceed $90 per share and that the average of the high and low of the market prices per share of General Motors common stock on the New York Stock Exchange on the last market trading day preceding the exercise of the rights is not lower than the subscription price per share fixed by General Motors;

Resolved, that the Treasurer or First Assistant Treasurer of the du Pont Company hereby is directed to exercise, promptly upon their receipt, the du Pont Company's rights to subscribe for 1,000,000 shares of General Motors Corporation common stock at the subscription price per share fixed by General Motors, provided that the same does not exceed $90 per share and that the average of the high and low of the market prices per share of General Motors common stock on the Exchange on the market trading day preceding such exercise is not lower than the subscription price per share fixed by General Motors;

[fol. 3311] Resolved further, that if the rights received by the du Pont Company to subscribe for such additional shares of General Motors Corporation common stock cannot be exercised pursuant to the foregoing resolution, the Treasurer or First Assistant Treasurer promptly shall refer the matter back to the Finance Committee for consideration.

This is to certify that the foregoing is a true copy of resolution unanimously adopted by the FINANCE COMMITTEE of E. I. du Pont de Nemours and Company on February 4, 1955, and still is in full force and effect.

F. G. Hess, Assistant Secretary, E. I. du Pont de Nemours and Company.

Dated: 2/4/55.

[fol. 3312] GOVERNMENT TRIAL EXHIBIT No. 533

Extract from Minutes of Finance Committee Meeting
1075

February Twenty-First, 1955

E. I. du Pont de Nemours and Company

Subscription for General Motors Corporation Common Stock

Letter was presented from R. R. Pippin, Treasurer, dated February 9, 1955 (# 353), advising that, pursuant to the Finance Committee's action of February 4, 1955, the du Pont Company had exercised its right to subscribe for 1,000,000 additional shares of General Motors Corporation common stock at the subscription price of $75 a share fixed by General Motors on February 7, 1955.

After discussion, the letter was ordered filed.

[fol. 3313] GOVERNMENT TRIAL EXHIBIT No. 534

February 9, 1955.

To: Finance Committee
From: Treasurer

Subscription for General Motors Corporation Common Stock

Pursuant to Finance Committee action on February 4, 1955, the Treasurer on February 9, 1955 exercised the du Pont Company's right to subscribe for 1,000,000 shares of General Motors Corporation common stock at the subscription price of $75 per share fixed by General Motors on February 7, 1955. The average of the high and low of the market prices per share of General Motors common stock on the New York Stock Exchange on February 8, 1955, the market trading day preceding the exercise of the rights, was $100.

This report is for information.

H. W. Evans, Assistant Treasurer.

Approved:

R. R. Pippin, Treasurer.

[fol. 3314] GOVERNMENT TRIAL EXHIBIT No. 536

Decline in Market Price of Du Pont Common Stock During Selected Periods 1946-1957

Dates	Period	Decline in Points	Decline in %	Dow-Jones Industrials Decline in %
6/13/46 to 10/30/46	4 months 17 days	68	29.1	22.0
9/ 6/51 to 11/24/51	2 months 18 days	18½	18.4	6.0
4/ 5/56 to 10/ 1/56	5 months 26 days	49	20.7	9.3
7/16/57 to 10/21/57	3 months 5 days	45¼	22.0	18.2

(Source: Wall Street Journal and Bank and Quotation Record).

[fol. 3315] GOVERNMENT TRIAL EXHIBIT No. 538

General Motors Corporation
Broadway at 57th Street
New York 19, N. Y.

July 18, 1955.

Mr. Harold C. Patterson,
Director, Division of Trading,
and Exchanges,
Securities and Exchange Commission
Washington 25, D. C.

Dear Mr. Patterson:

This will confirm the conversations on July 12, 1955 between you and other representatives of the Securities and Exchange Commission and representatives of General Motors Corporation. In those conversations we indicated that it is necessary for General Motors, after adoption of the proposed General Motors Savings-Stock Purchase Program for Salaried Employees, to continue to purchase General Motors Common Stock as needed for purposes of the General Motors Bonus Plan.

The Corporation's practice in the buying of stock for bonus is, for convenience, separately described in the accompanying memorandum. The volume of the Corporation's buying and the prices paid are shown on the enclosed charts which are copies of those we left with you in January.

A copy in draft form of the proposed Savings-Stock Purchase Program was sent to Mr. Loomis on July 13. That draft sets forth the proposed Program in substantially the form that we discussed it with you, except that it contains provisions whereby an employe may elect that all, rather than only 50%, of his savings might be invested initially in General Motors Common Stock in which case the guarantee against loss through the end of the fifth year would not apply, and whereby an employe may elect at the end of the fifth year that all Government bonds credited to his account shall be sold and the proceeds invested in additional General Motors Common Stock. These two latter provisions are still entirely tentative and have not yet been considered or approved by the Board of Directors. [fol. 3316] The Savings-Stock Purchase Program will be submitted for approval to a meeting of stockholders to be held on September 23, 1955. At that same time the stockholders will also be asked to approve an amendment of the Certificate of Incorporation which would permit the Board of Directors from time to time to issue or sell for cash authorized but previously unissued Common Stock to or for the account of employes in connection with employe benefit plans of the Corporation. While the Board of Directors will be free to and will at all times act in accordance with the then best interests of the Corporation, it is presently contemplated that in general newly issued stock would be used for the Savings-Stock Purchase Program while bonus stock would continue to be purchased in the open market. Under the Bonus Plan as presently approved by the stockholders, newly issued stock cannot be used for award as bonus.

Approximately 500,000 shares were required annually for bonus in the year 1951 to 1954 inclusive.

On the basis of the employe's savings being invested one-half in Government bonds and one-half in General Motors Common Stock, it is estimated that the annual stock requirements for the Savings-Stock Purchase Program, based on current payroll levels and the current market price of $125 a share, might be in the area of 300,000 shares or more.

The question presented is whether General Motors, in continuing its practice of purchasing stock for bonus, would

be employing a "manipulative or deceptive device or contrivance" that would, when accompanied by a continuing offering to employes under the Savings-Stock Purchase Program, constitute a violation of Section 10(b) of the Securities Exchange Act of 1934 and the Rule X-10B-6 thereunder.

We believe that the Corporation's long established buying procedures for stock requirements under the Bonus Plan, as separately set forth, are sound and proper. The proposed Savings-Stock Purchase Program is also sound and proper. It is our belief that the two programs, each independently proper, are not and should not be considered as improper in combination.

The Corporation proposes to buy stock for the Bonus Plan at the same time that it will sell stock to its employes under the Savings-Stock Purchase Program. Taking into account the Corporation contribution, the employe will in [fol. 3317] effect be paying only 50% of the current market price of the stock with delivery of the stock to be deferred in accordance with the Program. The Savings-Stock Purchase Program includes a five-year guarantee against loss of the amount of the employe's contributions, including interest. Under the terms of sale provided in the Savings-Stock Purchase Program, there would be neither incentive nor opportunity for manipulation.

Rule X-10B-6, adopted by the Commission on July 5, 1955, prohibits purchase by an issuer "for any account in which he has a beneficial interest". Admittedly bonus stock is purchased by the Corporation for its own account and becomes, and is held as treasury stock pending the award and earning out of bonus. The Corporation nevertheless would not seem to have the beneficial interest in such stock within the meaning of such Rule for the reason that the stock is acquired only in anticipation of developing liability and is applied in satisfaction of that liablty at cost.

Section 10(b) prohibits certain practices "in connection with the purchase or sale of any security". The purchase of stock for bonus, while occurring contemporaneously, nevertheless would not be "in connection with" the offering or sale of stock under the Savings-Stock Purchase Program. General Motors has been buying stock for bonus

for many years. The amount of stock to be purchased and the timing of such purchases has been, and would continue to be, determined only by the developing needs of the Corporation under the Bonus Plan. Mere continuation, after inception of the new Program, of a practice long established would indicate only that the need continues, not that an effort was being made to increase either prices or volume of sales under and "in connection with" the new Program.

The securities laws generally, and Section 10(b) in particular, are aimed at protection generally of the public and, primarily, of prospective purchasers. It seems fair to say that in our situation the prospective purchasers, namely, the salaried employes of the Corporation, will be influenced in their continuing decisions as to whether or not to buy not primarily by current market prices, but rather by the favorable terms of purchase and by the guarantee against loss. The terms of sale give these investors the protection that the Federal securities laws are designed to afford.

The use of newly issued stock would mean a reduction of the proportionate stock interest and voting power of [fol. 3318] stockholders. This may not be as important in the case of a large publicly held corporation such as General Motors as it would be in the case of a more closely held company. Nevertheless, in view of the total requirements, the degree of such reduction would very soon become substantial if, in order to continue and realize the considered benefits of both Programs, the Corporation were to be precluded from purchasing and were compelled to utilize nothing but newly issued stock. The Corporation desires to retain flexibility in that regard.

We believe that the best interests of the Corporation, its stockholders and the investing public would require that the Corporation be permitted to provide for its needs on a balanced basis. It is essential on the one hand to hold the reduction of proportionate stockholder interest to a minimum and on the other hand effectively to preclude any buying that would unlawfully affect market prices.

In conclusion, we submit that the non-manipulative character of General Motors purchasing of its own stock is demonstrated conclusively by the fact that stock is purchased only when and in the amounts required for the de-

veloping needs of the Corporation in relation to its Bonus Plan. Employes who participate in the Savings-Stock Purchase Program will be influenced in their decisions, and will be fully protected, by the favorable terms of purchase and by the five-year continuing guarantee against loss. The purchasing Program as we propose to continue it is, in our opinion, not in violation of either the spirit or the letter of the securities laws and the pertinent regulations.

Finally, I should like to express our appreciation of the patient consideration that has been afforded us by you and your associates.

Yours very truly, Henry M. Hogan, General Counsel.

[fol. 3319] General Motors Corporation—Practice Followed in the Purchase of Common Stock for Bonus

The General Motors Bonus Plan, in operation since 1918, provides for annual awards of bonus in an aggregate amount relates to the Corporation's annual net earnings. Bonus was awarded entirely in stock until 1944 and partly in stock since that time. The Plan futher provides that the Bonus and Salary Committee shall from time to time recommend to the Corporation the purchase of stock for bonus purposes in such amounts as the Committee may determine. Such stock value at cost and placed in a special account designated for bonus purposes.

At the beginning of each year, the Bonus and Salary Committee recommends purchases of stock for bonus purposes on the basis of the then outlook for earnings for the year and the bonus fund which would be provided as a result of such earnings. Under the policy of the Corporation, such stock purchases are made on the open market at a level monthly rate estimated to be required to accumulate during the year the stock to be awarded under the Bonus Plan for that year. This rate of monthly purchase may be changed from time to time during the year upon recommendation of the Committee to reflect changes in the forecast of earings and the probable amount of bonus to be awarded.

[fol. 3320] In accordance with the foregoing policy, purchases of stock by the Corporation are, in the normal course,

made daily. This is done in order to spread the buying as evenly as possible on a day-to-day basis, to the extent that market volume permits. As a result of this practice the average cost to the Corporation of the stock acquired for bonus purposes approximates the average price of General Motors Common Stock traded on the New York Exchange. The amount of stock purchased by the Corporation, as a percentage of the total shares of General Motors Common Stock traded on the New York Stock Exchange, was 16.2% for the year 1954 and 21.7% for 1953.

The Corporation does not and has not ever created the market in its own stock. The Corporation has a standing rule that it will not itself make the high bid on its own stock, although it has had upon occasion to match or equal a high sales price previously and independently made. On only 13 of the 63 trading days in the second quarter of 1955 were stock purchases of the Corporation made at the high price on the New York Stock Exchange for the day, and on those days in relatively modest amounts.

[fol. 3321] GOVERNMENT TRIAL EXHIBIT No. 563
Benjamin J. Tepping

Du Pont Stockholders

A Study Conducted for Covington & Burling Washington, D. C. by National Analysts, Inc. Philadelphia, Penna.

January, 1959

[fol. 3322] Table of Contents

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[fol. 3323] Study of Dupont Stockholders

Introduction. National Analysts, Inc. undertook this study of duPont stockholders at the request of Covington & Burling, counsel for duPont in the current litigation concerning the divestment by duPont of its holdings of General Motors stock. The purpose of this survey was to estimate the income tax that would be paid by duPont stockholders as the consequence of a distribution of this General Motors stock to the duPont stockholders in proportion to their holdings of duPont stock.

The present study embodies certain notable innovations. Past studies of corporate stockholders have been confined to those who are stockholders of record. In the case of duPont as well as that of many other corporations, a large proportion of the beneficial owners of stock are not stockholders of record, but, rather, own the stock through nominees or other fiduciaries. In addition, many persons received income from such stock as beneficiaries of trusts which are themselves either stockholders of record or own [fol. 3324] the stock through fiduciaries. According to duPont's own records as of December 31, 1957, less than 30% of the stock was held in the names of what appeared to be individuls, these constituting, however, 90% of the nominal stockholders of record. The true number of beneficial stockholders was, of course unknown and could be determined only by a survey which sought out the beneficial stockholders through the banks, brokers, nominees and others who were the stockholders of record. Such a plan was conceived and carried out early in the summer of 1958, to test whether the necessary cooperation of the desired respondents could be elicited, as well as to determine whether the specific questionnaires and procedures proposed were feasible. The results of that pilot study indicated that results could be obtained with sufficient reliability and completeness to warrant a full scale sample survey of duPont stockholders.

[fol. 3325] Scope of the Survey

For its internal purposes, E. I. duPont de Nemours and Company had prepared the following table * showing the distribution of its common stock according to the type of stockholder. The classification by type of stockholder had been made on the basis of the name of the stockholder and incidental information that happened to be available to duPont about the stockholder. It was expected that this classification would usually be correct, but not invariably so.

Because of their special status with respect to the present questions, the scope of the survey was defined to exclude the duPont stock held by Christiana Securities Company, Delaware Realty and Investment Company, Treasury Stock and the Trustee of the Thrift Fund. Also excluded were the stockholders known to be insurance companies, charitable organizations, and educational organizations or fraternal organizations, on the grounds that either such organizations were tax-free or their tax structures were so complex as to make it not feasible to include them in the

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* See table on page 4.

(Here follows 1 Photolithograph, side folio 3326)

[fol. 3326]

CLASSIFICATION OF DUPONT STOCKHOLDERS,

DECEMBER 31, 1957

	Type of Stockholder	Stockholders Number	Stockholders % of Grand Total*	Shares of Common Stock Number	Shares of Common Stock % of Grand Total*
1	Male	80,237	43.2%	6,555,314	14.4%
2	Female	70,778	38.1	6,368,516	13.9
3	Joint Accounts	16,383	8.8	516,788	1.1
4	Total Individuals	167,398	90.1%	13,440,618	29.4%
5	Estates	739	.4	131,132	.3
6	Trusts	12,195	6.6	5,964,984	13.1
7	Banks and Nominees	1,249	.7	9,895,828	21.7
8	Insurance Companies	322	.2	459,205	1.0
9	Charitable Organizations	1,234	.7	260,720	.6
10	Educational Organizations	518	.3	241,389	.5
11	Fraternal Organizations	119	-	10,537	-
12	Brokers	285	.1	874,169	1.9
13	Other Corporations & Organizations (excl. lines 15, 16, 17 & 18) Foreign at Wilmington	1,681	.9	883,028	1.9
14	Total - lines 5 - 13	18,342	9.9%	18,720,992	41.0%
15	Christiana Securities Co.	1	-	12,199,200	26.8
16	Delaware Realty & Investment Co.	1	-	1,217,920	2.7
17	Treasury Stock	1	-	1,812	-
18	Trustee of Thrift Fund	1	-	23,678	.1
19	GRAND TOTAL	185,744	100.0%	45,604,220	100.0%

* Dash (-) indicates less than 1/10 of 1% of total.

[fol. 3327] survey. In addition, stockholders known to be non-resident aliens or foreign organizations were excluded from the survey. It was the intent of the survey to estimate the tax characteristics of all other common stock as of December 31, 1957.

We were, therefore, concerned with individual taxpayers who could be (a) stockholders of record and who were the sole owners of such stock, (b) "partners", one or all of whom appeared as stockholders of record, (c) owners of stock held for them by or in the names of banks, brokers, nominees or other entities, or (d) the beneficiaries of trusts that held stock either directly (that is, of record) or through fiduciaries of any kind. In addition, we were concerned with the tax impact of trusts whose income might not be completely distributed to its beneficiaries, particularly since it is not clear what disposition trusts would or could make of additional income obtained as a distribution of General Motors stock by duPont. Finally, we were concerned with determining the amount of stock held for (or for the benefit of) such entities as estates, corporations, tax-free organizations, non-resident aliens and other organizations or persons who might either pay no tax or whose tax st. ure it was not feasible to determine accurately.

[fol. 3328] Design of the Sample

Fundamentally, the first stage of the sample involved the selection of a sample of shares of common stock within the scope of the survey as defined above. Since it was desired to prepare separate estimates for certain classes of stockholders, however, complications in the sample selection were necessarily involved. The sample selection was based upon a file of punch cards that existed in the offices of duPont. This file ostensibly contained one card for each stockholder of record as of December 31, 1957. The card showed the name and address of the stockholder, in the form of impressions from their file of the addressograph plates used to address the stockholders. The punch card also showed, by means of punched holes, the type of stockholder (corresponding to the classification outlined in the table above), the number of shares of stock held in the name of the stockholder, and the code for size of holding which distinguished holdings of 1 to 10 shares, 11 to 25 shares, 26 to

50 shares, 51 to 100 shares, 101 to 200 shares, 201 to 500 shares, 501 to 1,000 shares, 1001 to 5000 shares and holdings of over 5000 shares. The cards were separately filed by class and size code. By means of an appropriate wiring [fol. 3329] of a tabulating machine, a member of the National Analysts tabulating staff personally carried through the selection of those cards that contained within them the designated sample share. This was either every 1000th share or every 2000th share of duPont stock. The choice of this "sampling interval" was made, on the basis of the mathematical theory of sampling, so as to insure sufficiently large samples in each group for which separate estimates were required. The selected cards were then physically removed to the premises of National Analysts, where all further work was done.

The following table shows the number of stockholders selected in the initial stage of sampling by class and size.

As noted above, the sampling intervals used depended upon the type and size of holder of record. Specifically, for individuals, estates, trusts and the type "other", an inquiry was sent to the holder of every 2000th share for holdings of 100 shares or less, to the holder of every 1000th share for holders of 101 to 1000 shares, and to every holder of more than 1000 shares. For banks and brokers, an inquiry was sent to the holder of every 2000th share for holders of 500 shares or less, and to every bank or broker holding more than 500 shares. As described below, on the

[fol. 3330] Stockholders of Record Selected for the Sample
(First Stage Sample)

Type of stockholder	All Sizes	1–100	101–200	201–500	501–1000	1001–5000	Over 5000
Total	10,576	2,164	1,909	2,581	1,725	1,638	559
Individuals	8,115	1,913	1,594	2,072	1,279	1,059	198
Estates	63	12	7	18	11	11	4
Trusts	1,329	206	264	375	221	180	83
Banks	661	6	9	32	123	271	220
Brokers	146	2	3	9	33	62	37
Other	262	25	32	75	58	55	17

[fol. 3331] basis of the listings provided by the latter class of banks and brokers, a sample of accounts was selected using the same sampling intervals as for individual stockholders of record. The following section on survey pro-

cedures describes in more detail the manner in which the necessary steps were carried out.

[fol. 3332] Survey Procedures

Individual stockholders of record. A blank copy of Form No. 1 (Questionnaire for Individuals) was mailed to each individual stockholder of record selected for the sample. This questionnaire requested the stockholder to indicate whether the stock held in his name on December 31, 1957 was held for his own personal account (that is, he was himself liable for any federal income tax due on the dividends on the shares in 1957) or whether he held some or all of these shares for others. The questionnaire then required information on whether he filed a federal income tax return and, if so, requested certain information from his income tax return. The blank form sent to the respondent was accompanied by a letter from President Greenewalt of duPont citing the need for survey information and by a letter from National Analysts explaining the purposes of the survey and assuring the stockholder that his response would be held in strictest confidence by National Analysts. The stockholder was not asked to sign the questionnaire nor to indicate his identity on it in any way; however, the questionnaire did bear a serial number which made it possible to determine at any time which of the sample stock-[fol. 3333] holders had not responded. Periodically, follow-up letters were sent to encourage responses, and at one point follow-up calls were made by telephone to those non-respondent individuals whom it was possible to reach in that manner. In addition, telegrams were sent to non-respondent individuals whom it was not possible to reach by telephone. Telephone calls were also made to banks that had been given as addresses by substantial numbers of stockholders, and the trust officers of these banks frequently cooperated by requesting the stockholders in question to send in completed forms to National Analysts.

Upon receipt of questionnaires at National Analysts, each was examined to identify forms that were incomplete or that contained evident inconsistencies, or were other wise faulty. In such cases, correspondence was addressed to the stockholder in question in order to obtain information which would complete the return.

In cases where the respondent indicated that he was not the sole owner of the stock recorded in his name, additional copies of the questionnaire were sent to him [fol. 3334] and he was asked to have each of the beneficial owners complete the form. If on the basis of the initial response it turned out that the stockholders was not actually an individual, but rather a nominee, a trust, etc., additional forms were sent to him, these being of the same kinds as described below for the appropriate class of stockholder.

Banks, Brokers and Nominees. For stockholders classified in the duPont records as banks, brokers or nominees, a copy of Form No. 2 was mailed. This is a screening form combined with a listing form. In the screening form, the stockholder was asked to specify the manner in which these shares of stock were held so that the appropriate further steps could be taken. On the listing form, the respondent was asked to list all of the accounts for which shares were held in his name, identifying these accounts only by a serial or code number. For this class of stockholder, also, follow-ups were made periodically to insure that as many responses as possible were obtained for the sample.

Upon receipt of Form No. 2, it was examined for completeness and consistency, and then a punch card was prepared for each listed account. Tabulating equipment was used to select a sample of accounts in such a way [fol. 3335] that every 2000th share of accounts of 100 shares or less was included in the sample, and every 1000th share of accounts with 101 to 1000 shares was included in the sample. Every account with 1000 shares or more was included. A copy of Form No. 3 (Beneficial Account Questionnaire for Banks, Brokers and Nominees) was then prepared for each sample account and mailed to the bank, broker or nominee, with the request that it be completed by them and returned to National Analysts. The information required by this questionnaire included a classification of the account type and a listing of the percentage distribution to individual beneficiaries if the account were a trust. Also, in the case of trust accounts, information was requested with regard to the last federal income tax return submitted for the trust. The bank or

broker was also asked to distribute to the owners of the account, or to the beneficiaries in case of a trust, copies of Form No. 6, (Questionnaire for Beneficiaries). These forms, which were to be completed by the owners or trust beneficiaries and returned directly to National Analysts, required the same information as was asked for in Form No. 1, namely, information with respect to the 1957 income tax return.

[fol. 3336] The completed copies of Forms No. 3 and 6 were reviewed for consistency and completeness upon receipt by National Analysts, and follow-ups were made as necessary.

Trusts. A copy of Form No. 4 (Questionnaire for Trusts) was mailed to every stockholder of record that was identified as a trust in the duPont listing. This form required information of the same kind as was asked for trusts that were accounts of banks or brokers; i.e., Form No. 4 is identical with that part of Form No. 3 which pertains to trusts. Again, blank copies of Form No. 6 were included for distribution to the trust beneficiaries. The editing and follow-up procedure was also the same.

Estates and other organizations. A copy of Form No. 5 (Questionnaire for Corporations and Organizations) was sent to every sample stockholder of record other than those identified as individuals, banks, brokers or trusts. This form is a screening questionnaire, essentially identical with the first part of Form No. 2, and was intended to determine the nature of the holding. If the return indicated that the stock was held for a tax-exempt organization, a corporation or holding company, a business concern, or an estate in administration, no further infor-
[fol. 3337] tion was required. If, however, the stock was held for individuals, further forms were sent with the purpose of eliciting the information contained in Form No. 1 or Form No. 6 for each beneficial owner of the stock involved.

[fol. 3338] Computation of Tax

A crucial aspect of the processing of returns was the computation of the federal income tax that could be ascribed to a distribution of the General Motors stock held by duPont, over and above the regular cash dividend

of duPont. The Internal Revenue Service has ruled that such a distribution of General Motors stock would be taxable as dividend income. The additional dividend income for whose tax a stockholder would be liable would depend upon the market price of General Motors stock at the time of distribution and upon how the distribution of General Motors stock was spread over time. As of June 30, 1958, there were 45,731,528 shares of duPont common stock outstanding. DuPont held 63,000,000 shares of General Motors stock. Thus, there were 1.3776 shares of General Motors stock for each share of duPont stock outstanding. If this General Motors stock were to be distributed to duPont stockholders in proportion to their holdings of duPont stock, in 10 equal annual installments, and if the market value of a share of General Motors stock at a particular time were $50.00 then the value of that distribution would be $5.00 x 1.3776 or $6.88. In [fol. 3339] order to cover a range of possible General Motors market prices as well as a range of the time interval over which the distribution would be made, computations were based upon four different "equivalent GM market prices"—i.e., annual payments per share of duPont stock. These four values are $2.00, $3.70, $5.40 and $7.00. The following table shows the relationship between these four values, the number of annual payments, and the market price of General Motors stock.

Annual payment per share of duPont	Annual Payment per share of GM	Number of Payments				
		5	10	15	20	25
		Market price of GM, per share				
$2.00	$1.4518	$ 7.26	$14.52	$21.78	$29.04	$ 36.30
3.70	2.6858	13.43	26.86	40.29	53.72	67.15
5.40	3.9199	19.60	39.20	58.80	78.40	98.00
7.00	5.0813	25.41	50.81	76.22	101.62	127.03

A program was developed for an electronic computer which accepted the data from each return and computed [fol. 3340] the additional federal income tax that would become due if the hypothetical dividend had been added to the 1957 income of the respondent. Basically, this involved having the computer reconstruct from the data given in the return the essential portions of the 1957 income tax return, and then modifying those figures by augmenting the dividend income by the specified amounts. The com-

puter output was then tabulated to provide the tables appended to this report.

As was mentioned above, it was not clear in what manner trusts would distribute to their beneficiaries the income derived from a distribution of General Motors stock to them. Computations were therefore based on three hypotheses; namely, that (a) trusts would distribute this additional income in the same proportions that they distributed their incomes in 1957, or (b) trusts would *distribute all* such income, retaining none for the corpus of the trusts, in such a way that beneficiaries would share in the same proportions as they did in 1957 except for those beneficiaries who received fixed amounts by the terms of the trust instrument, or (c) that trusts would *retain all* such income for the corpus of the trust. The appended tables show the effect of each of these three hypotheses.

[fol. 3341] Computational Limitations

In order to compute the effect of added dividend income in 1957 precisely for every owner, it would have been necessary to request the complete income tax return filed in 1957 as well as additional information. In our opinion this would have presented sufficient additional burden to the prospective respondent as to reduce the response rate markedly. The limitation of the questionnaires to the most essential inquiries resulted in corresponding limitations of the results. Not only are these limitations small, but the net effect would probably be underestimates of the tax on additional dividend income rather than overestimates.

The specific limitations are discussed separately in the following paragraph.

[fol. 3342] *Zero tax in 1957.* Some respondents report a zero tax for 1957, or indicate that an income tax return was not filed because there was not sufficient income. If there were a distribution of General Motors stock, some of these cases would still pay zero tax but others would be liable for some income tax. On the basis of the information obtained, it was not possible to determine the tax on the General Motors distribution for such respondents. Table I of the appendix shows that the estimated number of such individual owners is 6,688 and that they own a total of 242,

000 shares of duPont stock. In addition, shares held for the corpus of trusts totaled 23,000 shares.

Form 1040 A. No estimates of the tax that would be due on a distribution to people who file Form 1040A in 1957 have been made. Again, as shown by Table I of the appendix, the respondents represented 5,752 such stockholders owning about 133,000 shares of stock.

Standard versus itemized deductions. It was not deemed wise to complicate the questionnaires for the purpose of determining whether the taxpayer used the standard [fol. 3343] 10% deduction or itemized his deductions in his return, since it was felt that the number of duPont stockholders who would elect to use the standard 10% deduction would be small. A distribution of General Motors stock to taxpayers who used the standard deduction would increase that allowable deduction by 10 percent of the value of such distribution to the individual, or by the difference between $1,000 and the deduction actually taken, whichever was smaller. Nevertheless, computations were made on a dual basis for those taxpayers whose taxable income was sufficiently low to present the possibility that they would benefit from the use of the standard deduction. The number of such stockholders is now estimated from this survey to be 60,150, and the number of shares of which they are the beneficial owners is estimatd to be 2,086,000. At the equivalent GM market price of $5.40 per year per share of duPont stock, the estimated tax on the assumption of an itemized deduction for all these cases is $2,277,000 and the estimated tax on the assumption of a standard deduction for all is $1,909,000. The difference of $368,000 is clearly seen to be a small fraction of the total tax bill, and is recognized to be even smaller in view of the fact that certainly not all of these persons would choose to use the standard deduction.

[fol. 3344] *Retirement income credit.* It was conceivable that the receipt of General Motors stock by a taxpayer might change the amount of retirement income credit that he could claim. To obtain the proper information to take account of this would, however, have required a considerable complication in the procedures, and it was therefor omitted. The questionnaires did ask for the amount of retirement income credit claimed in 1957, and it was hoped

that we could provide tabulations showing the number of owners who might be entitled to a larger retirement income credit as a result of additional dividend income. Unfortunately, the question turned out to be poorly answered in many cases, and it is not deemed valid to tabulate these answers.

Contributions and medical expenses deductions. There was no feasible way of taking account of the effect of these deductions on the taxes to be paid in the event of a General Motors stock distribution.

Capital loss carry-over. The questionnaires made no provision for determining whether there was a carry-over of capital losses. Capital loss carry-over is limited to $1,000 per year and the total effect was not deemed to be important. [fol. 3345] *Foreign tax credit.* The questionnaire included an inquiry on credits for income tax payments due a foreign country or U. S. possession, as well as whether that was the full amount of tax paid to foreign countries or U. S. posessions in 1957. No attempt was made to estimate the effect on the foreign tax credit in the event of an additional distribution of General Motors stock. From the survey, however, it is estimated that there were 13,082 owners (with 4,029,000 shares of duPont stock) who claimed a foreign tax credit and that of these only 728 owners (with 129,000 shares) stated that the credit was less than the full amount of the tax paid to the foreign country or U.S. possession.

Dividend exclusion. The computations that were programmed for the electronic computer assumed a dividend exclusion of up to $50.00 for a single or head of household return and a dividend exclusion of up to $100.00 for a joint return. In fact, however, it is probably true that many of the joint returns were entitled to a dividend exclusion of only up to $50.00, but there was no feasible way of definitely determining this. The approach was adopted because it was conservative, in the sense of underestimating rather [fol. 3346] than overestimating the tax to which the taxpayer would be liable. It is clear from Table II of the appendix that this approach has its major effect at the lowest assumed market price of General Motors stock, and that the effect decreases as the assumed annual value of the payment of General Motors stock goes up.

Multiple accounts. It is known that a person may own blocks of stock in several different ways simultaneously. Thus, he may at the same time be a stockholder of record, an owner of stock through a nominee, and the beneficiary of a trust which owns stock. If it were possible to assemble the facts about his complete stock ownership, the estimated tax might be somewhat higher than if each of his accounts is considered separately. It was, of course, not possible to consolidate all such accounts because of the necessary provision for confidentiality. However, it is seen from the survey itself that the addition of the General Motors income to total dividends income very seldom places the taxpayer in another tax bracket. It is, therefore, likely that the effect of treating each account as a separate taxpayer underestimates the total tax impact only trivially.

[fol. 3347] Results of the Survey

The fundamental results of the survey are given in the tables of the appendix. It should be noted particularly that these tables are not merely summations of the returns from respondents, but represent statistical estimates of the results that would have been obtained by addressing inquiries to all stockholders of duPont within the scope of the survey. This hypothetical "census" is one in which the same forms, follow-ups, and other procedures are the same as those actually followed in the sample survey that was carried through. Even in such a hypothetical "census", some of the owners of stock would not have responded to our inquiries. We are able to construct from the sample survey an estimate of that nonresponse, as well as of the other characteristics of the population under scrutiny. The results on numbers of owners, number of shares, taxes, and tax rates thus refer to those owners from whom a "census" would have elicited responses. In order to extend the results [fol. 3348] to *all* stockowners, it is necessary to make assumptions regarding the relationship of the characteristics of respondents to the survey and those of non-respondents.

Table I presents estimates of the way in which the owners of the approximately 45,604,000 shares of duPont common stock are distributed. "Responding persons" are citizens or residents of the United States who would have had to file income tax returns if they had had a sufficiently large

gross income in 1957, and who would have responded to a hypothetical "census" of stockholders of duPont. "Responding organizations" are any other stockholders or beneficial owners of duPont stock who would have responded in such a "census". "Non-responding stockholdings" represent all other shares of stock within the scope of the survey for which such a "census" would have elicited no response or responses not sufficiently complete to permit their tabulation. For the sake of completeness, we have also listed in this table those holdings which were excluded from the survey, as discussed earlier in this report.

Table II, which consists of 8 parts, shows the way in which the effective tax rate on the additional dividend de-
[fol. 3349] pends upon the number of shares owned. It should be noted that this table is confined to "ultimate owners", who, for the present purpose, are defined to include responding persons who filed Form 1040 in 1957 and paid an income tax, but excluding such persons as were beneficiaries of trusts. As indicated by their titles, the eight parts of Table II correspond to the four equivalent market prices of General Motors stock assumed, the percentage distributions being shown for the number of ultimate owners and for the number of shares owned, at each of the four equivalent market prices. To illustrate, Table II-1A shows that, assuming an equivalent market price of $2.00, 21.5 percent of the ultimate owners who owned 101 to 200 shares would pay an effective tax rate on this additional dividend of between 30 and 39 percent. Similarly, Table II-1B shows that 21.7 percent of their shares of stock would have the associated GM distribution taxed at the rate of 30 to 39 percent. For the purposes of this survey, the effective tax rate is defined as the ratio of the additional income tax, that would become due as the result of the additional dividend income, to the market value of the GM distribution at the equivalent market price stated.

[fol. 3350] Table III presents the effective tax rates for the same ultimate owners that are included in Table II, at each of the four equivalent market prices. In addition, Tables III-1, III-2, III-3 and III-4 present the same data for classes of ultimate owners defined by their taxable income. These tables also provide estimates of the number of ultimate owners and their shares owned.

For trust beneficiaries, it was deemed necessary to provide tables that would reflect the tax impact under two assumptions, namely: (a) that trusts would distribute the shares of General Motors stock in the same proportions that they distributed their income in 1957, and (b) that trusts would distribute *all* of such GM shares, retaining none for the corpus of the trust, but distributing them to their beneficiaries in the same proportions as those beneficiaries received income from the trust in 1957—excluding (insofar as it was possible to do so) those beneficiaries who received fixed amounts under the terms of the trust instrument. Tables IVa and IVb correspond respectively to these two assumptions about the distribution of income by trusts. The third possible assumption, namely that trusts would *retain* [fol. 3351] all additional dividend income for the corpus of the trust, would result in no additional income tax to the beneficiaries but would result in an income tax levied against the trust itself. Table IV and its parts are identical in form to Table III and its parts.

Table V presents data similar to that of Table IV and in the same form except that here the data refer to shares of stock held for the corpus of the trust. Again, the data are presented on the basis of two different assumptions, namely: (a) that the trust would distribute additional dividend income in the same proportions as it di tributed its income in 1957, and (b) that the trust would *retain* all additional dividend income in the event of a distribution of General Motors stock.

Table VI combines Tables III, IV and V to provide information on the effective tax rate for each of three assumptions: (a) that trusts would distribute additional dividend income in the same proportions as in 1957, (b) that the trusts would distribute all additional income, with each beneficiary sharing in the same proportions as in 1957, (c) that the trusts would retain all such income for the corpus of the trust, so that no beneficiary would be liable for an additional tax.

[fol. 3352] In interpreting Table V and Table VI, it should be kept in mind that the large number of trusts that distributed *all* their income in 1957 in many cases paid no tax in 1957 and, consequently, the possible tax impact were they to retain all additional dividend income for the corpus of the trust is not reflected in Table Vb, or in Table VIc.

This survey, like any other, could not be expected to obtain a response from every stockholder to whom an inquiry was addressed. This is particularly so in view of the fact that many of the sample stockholders could be approached only through intermediaries, such as banks, brokers, nominees, trustees and so forth. Table VII, which shows the response rates by type of stockholder (as classified by du-Pont) and by the number of shares of record, indicates clearly that the response rates are in general higher for individual stockholders of record, who could for the most part be directly addressed, than for stockholders who were trusts as of the record or stockholders who could be reached only through banks, brokers, nominees and others. The trusts of record have the next highest response rates. This can be accounted for by the fact that the trustee was himself frequently able to supply the information required, and [fol. 3353] that, in the event he could not do so, he was able to pass the inquiry along directly to the beneficiaries of the trust. On the other hand, owners of stock who could be reached only through banks, brokers, or nominees necessitated a three-stage procedure. The fiduciary had first to be asked for a list of his accounts, these accounts had then to be sampled in the National Analysts office, and proper forms had to be prepared and returned to the fiduciary, who only then could transmit the forms requesting information to the beneficial owners of the stock. This three-stage procedure often involved lengthy delays, and the receipt of questionnaires for purposes of preparing the present tables had to be cut off while substantial numbers of such questionnaires were still being received. Is is our opinion that if sufficient time were possible, the response rates for all classes would be nearly as high as those for individual stockholders of record.

[fol. 3355]

TABLE I

Beneficial Owners of duPont Stock and Shares Owned, Estimated from the National Analysts Sample Survey

Type of owner	Owners	Shares (1,000's)	Percent of total shares in scope	Tax rate at 45.00
Total in scope of survey	xxx	30,683	100.0	
RESPONDING PERSONS	130,368	16,547	53.9	.566
Persons paying tax according to Form 1040				
Other than trust beneficiaries	97,906	10,428	34.0	.523
Trust beneficiaries*	20,022	5,744	18.7	.680
Persons filing Form 1040, with zero tax	3,825	162	.5	
Persons filing Form 1040A	5,752	133	.4	
Persons not filing income tax return	2,863	80	.3	
RESPONDING ORGANIZATIONS	40,901	4,007	13.1	.032
Trusts* filing Form 1041, paying tax	10,363	277	.9	.458
Trusts* filing Form 1041 with zero tax	19,144	23	.1	0
Charitable, educational, or fraternal	140	50	.2	
Tax-free organizations	3,897	1,193	3.9	
Tax-liable corporations	1,622	1,145	3.7	
Common and mutual funds	325	390	1.3	
Pension funds	777	141	.5	
Estates	1,914	456	1.5	
Trusts that are beneficiaries of other trusts	509	30	.1	
Non-resident aliens and foreign organizations	2,163	293	1.0	
Other and not classified	47	9	.0	

.667

.423

Responding .462

[fol. 3356]

TABLE I (Continued)

Type of owner	Owners	Shares (1,000's)	Percent of total shares in scope
NON-RESPONDING STOCKHOLDINGS	xxx	10,129	33.0
Holdings of presumed individuals	xxx	7,269	23.7
Holdings of presumed trusts	xxx	526	1.7
Holdings of accounts of banks or brokers	xxx	2,329	7.6
Holdings of all other	xxx	5	.0
EXCLUDED FROM SURVEY	xxx	14,822	xxx
Foreign stockholders	xxx	433	xxx
Insurance companies	xxx	437	xxx
Charitable, educational or fraternal	xxx	510	xxx
Christiana Securities Company	xxx	12,199	xxx
Delaware Realty and Investment Company	xxx	1,218	xxx
Treasury stock and Thrift Fund	xxx	25	xxx

*Trusts and trust beneficiaries are shown on the basis of the distribution of trust income in 1957.

[fol. 3357] Table II

Percentage distribution of the number of "ultimate owners" of duPont stock and of shares owned, by effective tax rate on the assumed GM stock distribution, for classes of owners defined by number of shares, and for several assumed GM market prices.

Notes

"Ultimate owners" are persons who would be liable for income tax in the event of a distribution of GM stock to duPont stockholders. "Ultimate owners" may be stockholders of record, part owners, owners through nominees, etc., but beneficiaries of trusts are not included in this table. (See Table IV for trust beneficiaries.) Companies, organizations, trust funds, etc., are also not included in this table. An owner is counted once for *each* holding or account.

[fol. 3358] Table II—1A

Number of "ultimate owners", assuming a GM market price equivalent to $2.00 per share of duPont stock per year.

Effective tax rate (%)	Total	Number of shares owned: 1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	20.4	24.0	—	—	—	.1	—
Under 20%	22.2	24.3	13.6	8.2	6.0	.9	—
20-29%	24.1	24.7	26.4	15.3	14.3	8.0	.6
30-39%	14.0	13.0	21.5	21.6	12.2	10.9	3.1
40-49%	7.3	5.9	15.4	16.0	15.2	12.9	—
50-59%	6.5	5.2	11.5	16.8	18.1	16.9	9.9
60-69%	3.3	2.2	6.5	11.7	14.2	17.7	16.2
70-79%	1.2	.4	3.3	6.6	9.4	12.3	22.4
80% and over	1.0	.3	1.8	4.1	10.6	20.3	47.8

[fol. 3359] Table II—1B

Number of shares of duPont stock owned by "ultimate owner", assuming of GM market price equivalent to $2.00 per share of duPont stock per year

Effective tax rate (%)	Total	Number of shares owned 1–100 (26.27)	101–200 (11.71)	201–500 (15.86)	501–1000 (10.00)	1001–5000 (17.43)	over 5000 (22.50)
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	1.5	5.8	—	—	—	.2	—
Under 20%	10.0	27.1	12.6	7.6	5.6	.5	—
20–29%	13.9	26.5	24.3	14.1	13.8	5.6	.3
30–39%	12.9	17.3	21.7	19.8	11.9	9.0	2.0
40–49%	10.3	9.8	15.9	16.7	14.3	12.4	—
50–59%	12.2	8.5	12.4	17.2	18.4	18.2	5.3
60–69%	10.4	3.5	7.3	12.7	14.9	18.0	10.2
70–79%	9.2	1.1	3.7	7.3	9.9	13.1	19.6
80% and over	19.6	.4	2.1	4.6	11.2	23.0	62.6

[fol. 3360] Table II—2A

Number of "ultimate owners", assuming a GM market price equivalent to $3.70 per share of duPont stock per year

Effective tax rate (%)	Total	Number of shares owned 1–100	101–200	201–500	501–1000	1001–5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	14.4	16.8	—	—	—	.1	—
Under 20%	29.1	32.6	11.7	7.6	4.8	.6	—
20–29%	23.1	23.5	27.2	15.5	14.4	7.6	.6
30–39%	14.0	13.0	21.7	21.5	11.6	9.5	.6
40–49%	7.4	6.1	15.8	15.2	15.8	13.3	2.5
50–59%	6.5	5.1	11.7	17.6	18.8	17.2	4.4
60–69%	2.8	2.6	6.8	11.8	13.9	18.3	21.1
70–79%	1.2	.4	3.3	6.6	10.0	13.0	18.0
80% and over	1.5	.9	1.8	4.2	10.7	20.4	52.8

[fol. 3361] Table II—2B

Number of shares of duPont stock owned by "ultimate owners", assuming a GM market price equivalent to $3.70 per share of duPont stock per year

Effective tax rate (%)	Number of shares owned: Total	1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	.7	2.4	—	—	—	.2	—
Under 20%	10.0	28.7	10.8	7.0	4.4	.3	—
20-29%	14.1	27.2	25.0	1448	13.7	5.2	.3
30-39%	12.4	17.8	21.7	19.7	11.6	7.6	.3
40-49%	10.8	10.3	16.5	15.8	14.8	12.5	1.7
50-59%	11.7	8.4	12.7	18.4	19.0	18.1	2.0
60-69%	11.1	3.6	7.6	12.7	14.6	18.8	13.1
70-79%	8.3	1.1	3.7	7.4	10.6	14.1	14.0
80% and over	20.9	.5	2.0	4.7	11.3	23.2	68.6

[fol. 3362] Table II—3A

Number of "ultimate owners", asuming a GM market price equivalent to $5.40 per share of duPont stock per year

Effective tax rate (%)	Number of shares owned: Total	1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	10.9	12.9	—	—	—	.1	—
Under 20%	31.5	35.5	10.5	7.3	3.3	.2	—
20-29%	23.2	23.6	27.8	15.2	15.1	6.4	—
30-39%	15.2	14.4	21.3	21.5	11.5	8.5	.6
40-49%	7.1	5.6	16.1	15.5	15.8	14.1	2.5
50-59%	6.3	4.9	12.3	17.5	19.1	17.1	3.7
60-69%	3.0	1.7	6.8	12.1	14.2	19.0	18.7
70-79%	1.3	.5	3.4	6.6	10.3	14.2	18.0
80% and over	1.5	.9	1.8	4.3	10.7	20.4	56.5

[fol. 3363] Table II—3B

Number of shares of duPont stock owned by "ultimate owners", assuming a GM market price equivalent to $5.40 per shares of duPont stock per year

Effective tax rate (%)	Total	Number of shares owned 1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	.3	1.1	—	—	—	.2	—
Under 20%	9.6	28.3	9.9	6.7	3.0	.1	—
20-29%	14.1	27.9	25.4	14.2	14.4	4.1	—
30-39%	12.4	19.0	21.2	19.5	11.3	6.6	.2
40-49%	10.8	10.0	16.8	16.1	14.8	12.9	1.3
50-59%	11.7	8.4	13.3	18.3	19.4	17.5	2.0
60-69%	10.9	3.6	7.6	13.1	14.9	19.9	10.4
70-79%	8.4	1.2	3.7	7.4	10.9	15.5	13.3
80% and over	21.8	.5	2.1	4.7	11.3	23.2	72.8

[fol. 3364] Table II—4A

Number of "ultimate owners", assuming a GM market Price equivalent to $7.00 per share of duPont stock per year

Effective tax rate (%)	Total	Number of shares owned 1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	8.0	9.4	—	—	—	.1	—
Under 20%	32.4	36.6	10.0	6.6	2.2	.1	—
20-29%	25.0	25.6	28.0	15.4	15.2	5.6	—
30-39%	15.4	14.8	21.1	21.0	12.2	7.8	.6
40-49%	6.9	5.4	16.5	16.1	15.1	14.1	1.9
50-59%	6.5	5.0	12.4	17.9	20.1	16.9	3.1
60-69%	3.0	1.8	6.8	12.0	13.8	20.2	18.6
70-79%	1.3	.5	3.4	6.7	10.7	14.2	18.6
80% and over	1.5	.9	1.8	4.3	10.7	21.0	57.2

[fol. 3365] Table II—4B,

Number of shares of duPont stock owned by "ultimate owners", assuming a GM market price equivalent to $7.00 per share of duPont stock per year

Effective tax rate (%)	Total	Number of shares owned 1-100	101-200	201-500	501-1000	1001-5000	over 5000
All rates	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No tax	.2	.7	—	—	—	.2	—
Under 20%	9.1	27.4	9.5	6.0	2.1	.1	—
20-29%	14.3	29.0	25.5	14.3	14.1	3.5	—
30-39%	12.2	18.9	20.9	19.1	12.2	5.8	.3
40-49%	10.7	10.1	17.2	16.6	14.2	12.1	1.0
50-59%	11.8	8.5	13.4	18.6	20.3	17.2	1.8
60-69%	11.1	3.7	7.6	13.1	14.5	21.9	9.9
70-79%	8.5	1.2	3.8	7.5	11.3	15.1	13.9
80% and over	22.1	.5	2.1	4.8	11.3	24.1	73.1

[fol. 3366] Table III

Number of "ultimate owners", duPont shares owned, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to— $2.00	$3.70	$5.40	$7.00
Total	97,900	10,426,315	50.9	51.7	52.3	52.7
1-100	83,514	2,626,634(*31.5*)	28.8	29.7	30.1	30.5
101-200	7,288	1,170,979(*160.7*)	38.5	39.0	39.2	39.4
201-500	4,689	1,585,739(*338.2*)	45.9	46.3	46.5	46.8
501-1000	1,362	1,000,416(*734.5*)	51.4	51.9	52.4	52.8
1001-5000	886	1,792,827(*2,023.5*)	61.0	61.9	62.7	63.5
over 5000	161	2,249,720(*13,973.4*)	78.6	79.7	80.5	81.1

[fol. 3367] Table III—1

Number of "ultimate owners", with taxable income under $10,000 duPont shares owned, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to — $2.00	$3.70	$5.40	$7.00
Total	51,038	1,863,378	19.2	20.1	20.7	21.2
1-100	48,374	1,124,922	17.4	18.2	18.6	19.0
101-200	1,614	246,032	20.8	21.2	21.4	21.7
201-500	786	245,313	21.0	21.4	21.8	22.1
501-1000	206	145,016	21.8	22.8	23.7	24.6
1001-5000	54	72,872	25.7	27.7	29.5	31.2
over 5000	3	29,223	30.6	39.7	45.8	50.4

[fol. 3368] Table III—2

Number of "ultimate owners" with taxable income $10,000 to $24,999, duPont shares owned, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to —			
			$2.00	$3.70	$5.40	$7.00
Total	28,400	2,329,791	32.4	33.3	33.9	34.4
1-100	23,445	907,827	28.9	29.8	30.2	30.4
101-200	3,094	478,065	32.1	32.7	33.0	33.3
201-500	1,437	452,881	34.7	35.2	35.6	36.0
501-1000	255	181,787	34.3	35.2	35.9	36.6
1001-5000	167	295,387	38.9	40.8	42.5	43.9
over 5000	2	13,844	34.6	40.3	44.7	47.8

[fol. 3369] Table III—3

Number of "ultimate owners" with taxable income $25,000 to $99,999, duPont shares owned, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to —			
			$2.00	$3.70	$5.40	$7.00
Total	15,827	3,605,388	57.3	58.2	58.9	59.5
1-100	10,409	543,383	48.5	49.7	50.3	50.6
101-200	2,214	382,112	52.6	53.6	53.2	53.4
201-500	2,068	740,305	55.1	55.4	55.6	55.8
501-1000	663	487,050	57.4	57.8	58.1	58.4
1001-5000	407	833,405	58.9	59.8	60.7	61.5
over 5000	65	619,133	68.2	70.5	72.2	73.6

[fol. 3370] Table III—4

Number of "ultimate owners" with taxable income $100,000 or over, duPont shares owned, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to —			
			$2.00	$3.70	$5.40	$7.00
Total	2,636	2,627,758	81.1	81.5	81.8	82.1
1–100	1,286	50,502	67.0	68.7	69.9	70.5
101–200	366	64,770	70.0	70.2	70.3	70.3
201–500	397	147,240	75.3	75.5	75.6	75.7
501–1000	238	186,563	75.6	75.7	75.8	75.9
1001–5000	258	591,163	79.3	79.6	79.8	80.1
over 5000	91	1,587,520	83.9	84.3	84.7	85.0

[fol. 3371] Table III—4

Number of "ultimate owners" with taxable income $100,000 or over, duPont shares owned, and effective income tax rate on the proposed GM distribution, for hypothetical market prices of GM stock

Shares owned	Number of "ultimate owners"	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to —			
			$2.00	$3.70	$5.40	$7.00
Total	2,636	2,627,758	81.1	81.5	81.8	82.1
1–100	1,286	50,502	67.0	68.7	69.9	70.5
101–200	366	64,770	70.0	70.2	70.3	70.3
201–500	397	147,240	75.3	75.5	75.6	75.7
501–1000	238	186,563	75.6	75.7	75.8	75.9
1001–5000	258	591,163	79.3	79.6	79.8	80.1
over 5000	91	1,587,520	83.9	84.3	84.7	85.0

[fol. 3372] Table IVa

Number of trust beneficiaries, shares of duPont stock owned, owner, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming the 1957 distribution of additional dividend income to beneficiaries

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	20,028	5,745,908	66.6	67.5	68.0	68.4
1-100	15,311	655,373(*42.8*)	33.9	34.9	35.3	35.6
101-200	2,429	398,244(*164.0*)	43.5	44.0	44.3	44.4
201-500	1,419	494,528(*348.5*)	53.6	54.0	54.3	54.6
501-1000	379	279,360(*737.1*)	57.4	57.9	58.3	58.6
1001-5000	353	784,483(*2,222.3*)	62.0	63.0	63.9	64.7
over 5000	137	3,133,920(*22,875.3*)	80.4	81.3	81.9	82.3

[fol. 3373] Table IVa—1

Number of trust beneficiaries with taxable income under $10,000, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming the 1957 distribution of additional dividend income to beneficiaries

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	7,592	409,753	19.7	20.6	21.1	21.6
1-100	6,891	230,960	18.6	19.4	19.6	19.9
101-200	520	80,803	20.6	21.0	21.3	21.5
201-500	126	42,145	19.7	20.2	20.7	21.1
501-1000	37	24,609	23.6	24.6	25.5	26.5
1001-5000	18	31,236	22.9	25.8	28.6	31.1
over 5000	—	—	—	—	—	—

[fol. 3374] Table IVa—2

Number of trust beneficiaries with taxable income of $10,000-$24,999, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming the 1957 distribution of additional dividend income to beneficiaries.

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2 00	$3 70	$5 40	$7 00
Total	5,973	738,765	39 7	41 5	42 6	43 4
1-100	4,712	215,778	32 9	34 2	34 7	35 0
101-200	749	122,189	35 4	36 0	36 4	36 6
201-500	355	118,764	39 4	40 0	40 5	40 9
501-1000	69	49,204	36 3	37 2	38 0	38 7
1001-5000	87	161,891	41 8	43 7	45 4	46 8
over 5000	1	70,939	65 6	74 1	77 9	79 9

[fol. 3375] Table IVa—3

Number of trust beneficiaries with taxable income of $25,000 to $99,999, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming the 1957 distribution of additional dividend income to beneficiaries

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2 00	$3 70	$5 40	$7 00
Total	5,507	1,453,827	59 8	60 9	61 8	62 4
1-100	3,442	192,529	49 7	50 9	51 5	51 8
101-200	976	164,349	54 6	55 1	55 3	55 5
201-500	721	256,200	59 4	59 8	60 0	60 2
501-1000	178	132,635	60 8	61 2	61 5	61 7
1001-5000	146	339,548	61 7	62 6	63 4	64 2
over 5000	44	368,566	65 8	68 0	69 9	71 4

[fol. 3376] Table IVa—4

Number of trust beneficiaries with taxable income of $100,000 or over, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming the 1957 distribution of additional dividend income to beneficiaries

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	956	3,143,563	82.1	82.7	83.0	83.2
1-100	266	16,106	76.2	76.4	76.6	76.7
101-200	184	30,903	75.9	76.4	76.6	76.7
201-500	217	77,419	74.7	74.9	75.0	75.0
501-1000	95	72,912	76.9	77.1	77.2	77.3
1001-5000	102	251,808	80.2	80.6	80.8	81.1
over 5000	92	2,694,415	82.8	83.3	83.7	83.9

[fol. 3377] Table IVb

Number of trust beneficiaries, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming 100% distribution of additional dividend income

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	20,028	5,851,204	66.0	66.9	67.4	67.9
1-100	15,138	662,251	33.9	35.0	35.4	35.7
101-200	2,523	412,083	43.0	43.5	43.8	44.0
201-500	1,455	506,246	53.6	54.0	54.3	54.5
501-1000	394	288,838	56.1	56.6	57.0	57.4
1001-5000	379	833,046	60.0	61.1	62.1	63.0
over 5000	139	3,148,740	80.2	81.2	81.8	82.2

[fol. 3378] Table IVb—1

Number of trust beneficiaries with taxable income under $10,000, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming 100% distribution of additional dividend income

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	7,592	488,089	20.2	21.4	22.3	23.0
1-100	6,765	234,278	18.5	19.3	19.5	19.8
101-200	598	92,243	21.3	21.7	22.0	22.2
201-500	136	45,291	19.7	20.1	20.6	21.0
501-1000	49	32,265	22.4	23.5	24.5	25.4
1001-5000	42	71,792	22.0	24.8	27.6	30.2
over 5000	2	12,220	31.2	39.6	45.2	49.2

[fol. 3379] Table IVb—2

Number of trust beneficiaries with taxable income of $10,000-$24,999, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming 100% distribution of additional dividend income

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	5,973	748,452	39.7	41.5	42.6	43.4
1-100	4,700	217,793	32.9	34.2	34.7	35.0
101-200	754	123,210	35.5	36.1	36.4	36.7
201-500	361	120,615	39.4	40.0	40.5	41.0
501-1000	71	50,685	36.0	36.9	37.8	38.5
1001-5000	87	165,210	41.9	43.8	45.5	47.0
over 5000	1	70,939	65.6	74.1	77.9	79.9

[fol. 3380] Table IVb—3

Number of trust beneficiaries with taxable income of $25,000 to $99,999, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming 100% distribution of additional dividend income

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	5,507	1,464,732	59.9	61.0	61.8	62.5
1-100	3,420	193,383	50.0	51.2	51.7	52.0
101-200	985	165,463	54.5	55.0	55.2	55.4
201-500	731	259,235	59.5	59.8	60.1	63.0
501-1000	180	133,810	60.6	60.9	61.3	61.5
1001-5000	147	341,932	61.7	62.6	63.4	64.2
over 5000	44	370,309	65.7	68.0	69.9	71.4

[fol. 3381] Table IV—4

Number of trust beneficiaries with taxable incomes of $100,000 or over, shares of duPont stock owned and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming 100% distribution of additional dividend income

Shares owned	Number of trust beneficiaries	Shares	Effective tax rate (%) at GM market price, per share of du Pont equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	956	3,149,931	82.1	82.7	83.0	83.2
1-100	253	16,797	76.7	76.9	77.0	77.1
101-200	185	31,167	76.2	76.7	76.9	77.0
201-500	228	81,105	74.9	75.1	75.2	75.2
501-1000	94	72,078	76.9	77.1	77.2	77.4
1001-5000	103	254,112	80.2	80.6	80.8	81.0
over 5000	92	2,694,672	82.8	83.3	83.7	83.9

[fol. 3382] **Table Va**

Number of trusts, shares of duPont stock held by the corpus of the trust, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming that the trust distributes additional dividend income in the same proportion as in 1957

Shares owned	Number of trusts	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	10,363	277,466	45.6	45.7	45.8	45.8
1–100	9,882	80,356	28.9	29.0	29.1	29.1
101–200	252	42,047	42.3	43.0	43.6	44.3
201–500	146	49,189	44.9	45.0	45.0	45.2
501–1000	57	39,592	49.6	49.7	49.7	49.7
1001–5000	25	43,110	49.8	50.9	52.4	53.8
over 5000	1	23,172	85.5	85.9	86.3	86.4

[fol. 3383] **Table Vb**

Number of trusts, shares of duPont stock held by the corpus of the trust, and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming that the trust retains all additional dividend income

Shares owned	Number of trusts	Shares	Effective tax rate (%) at GM market price, per share of duPont, equivalent to—			
			$2.00	$3.70	$5.40	$7.00
Total	10,363	3,013,036	35.6	35.8	36.4	36.7
1–100	7,441	355,687	21.3	21.7	22.0	22.1
101–200	1,310	225,583	26.7	26.8	27.0	27.1
201–500	1,061	380,994	29.0	29.1	29.3	29.4
501–1000	351	265,655	32.3	33.2	34.2	35.2
1001–5000	162	325,437	35.7	38.6	41.5	43.9
over 5000	38	1,462,680	41.0	41.8	42.4	42.4

[fol. 3384] Table VIa

Shares of duPont stock for "ultimate owners", trust beneficiaries and trusts and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming that trusts would distribution additional dividend income in the same proportions as in 1957

Shares owned	Shares	Effective tax rate (%) at GM market price, per share of duPont equivalent to—			
		$2.00	$3.70	$5.00	$7.00
Total	16,449,689	56.3	57.1	57.7	58.1
1-100	3,362,363	29.8	30.7	31.1	31.4
101-200	1,611,270	40.2	40.5	40.7	40.8
201-500	2,129,456	47.7	48.0	48.3	48.6
501-1000	1,319,368	52.6	53.1	53.5	53.9
1001-5000	2,620,420	61.1	62.0	62.9	63.7
over 5000	5,406,812	79.7	80.7	81.3	81.9

[fol. 3385] Table VIb

Shares of duPont stock and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming that trusts would distribute all additional dividend income, with each beneficiary sharing in the same proportions as in 1957

Shares owned	Shares	Effective tax rate (%) at GM market price, per share of duPont equivalent to—			
Total	16,277,519	56.3	57.2	57.7	58.2
1-100	3,288,885	29.8	30.8	31.2	31.5
101-200	1,583,062	39.7	40.2	40.4	40.6
210-500	2,091,985	47.7	48.1	48.4	48.7
501-1000	1,289,254	51.5	53.0	53.4	53.8
1001-5000	2,625,873	60.7	61.6	62.5	63.3
over 50000	5,398,460	79.5	80.5	81.2	81.8

[fol. 3386] Table VIc

Shares of duPont stock assigned to the corpus of trusts and effective income tax rate on the proposed GM distribution, for four hypothetical market prices of GM stock, assuming that trusts would retain all additional dividend income for the corpus of the trust

Shares owned	Shares	Effective tax rate (%) at GM market price, per share of duPont equivalent to—			
Total	13,439,351	47.5	48.1	48.7	49.1
1-100	2,982,321	29.0	28.8	29.2	29.5
101-200	1,393,562	37.1	37.2	37.3	37.5
201-500	1,966,733	42.7	42.9	43.2	43.4
501-1000	1,266,071	47.4	48.0	48.6	49.1
1001-5000	2,118,264	57.1	58.3	59.5	60.5
over 5000	3,712,400	64.1	64.8	65.5	65.8

[fol. 3387]

TABLE VII

Completed Responses, by Type and Size of Stockholder of Record

Type and size of stockholder of record	Total in scope* (1,000's)	Shares of duPont stock Responding** Total Number (1,000's)	Total Percent	Tax to be estimated: shares (1,000's)	Tax not to be estimated: shares (1,000's)
All classes sampled	30,712	20,563	67.0	16,449	4,114
Individual stockholders of record	13,374	10,184	76.1	9,775	409
1-100 shares	3,824	2,617	68.4	2,415	202
101-200	1,594	1,143	71.7	1,094	49
201-500	2,075	1,515	73.0	1,453	62
501-1000	1,280	938	73.3	906	32
1001-5000	2,158	1,717	79.6	1,675	42
over 5000	2,443	2,254	92.3	2,232	22
Trusts of record	5,946	3,099	52.1	2,699	400
1-100 shares	410	210	51.2	165	45
101-200	262	149	56.9	127	22
201-500	376	186	49.5	154	32
501-1000	218	89	40.8	67	22
1001-5000	407	241	59.2	208	33
over 5000	4,273	2,224	52.0	1,978	246
All others	11,392	7,280	63.9	3,975	3,305
1-100	89	73	82.0	1	72
101-200	70	52	74.3	3	49
201-500	176	107	60.8	20	87
501-1000	197	120	60.9	26	94
1001-5000	1,260	476	37.8	173	303
over 5000	9,600	6,452	67.2	3,752	2,700

* See pages 3-5.

**Stock held by or for a trust has been allocated among the trust beneficiaries and the corpus of the trust in the same proportions as the trust distributed its income in 1957.

[fol. 3388] GOVERNMENT TRIAL EXHIBIT NO. 602

Common Stock Outstanding as of Indicated Dates

General Motors Corporation	279,470,400 [1]
E. I. du Pont de Nemours and Company	45,698,601 [1]
Christiana Securities Company	150,000 [2]
Delaware Realty and Investment Corporation	785,000 [2]
Delaware Trust Company	40,000 [2]
Wilmington Trust Company	974,400 [3]

[1] Average number of Shares of common stock outstanding 1958
Source: Annual Report. (Computed by dividing total common dividends for 1958 by the annual dividend per share.)

[2] Unchanged.

[3] Number of shares outstanding or available for exchange in shares of acquired corporations March 4, 1959.
Source: Stockholder list as of above indicated date.

[fol. 3389] GOVERNMENT TRIAL EXHIBIT NO. 603

Stockholders of Delaware Trust Company

	No. of Shares
Alfred E. Bissell (Husband of Julia du Pont Andrews Bissell) (Granddaughter of Eugene du Pont)	845
Evelyn du Pont Donaldson (Daughter of William du Pont, Jr.)	100
Anne A. du Pont Valk (Granddaughter of Francis Gurney du Pont)	104
Elizabeth Heyward du Pont (Daughter-in-law of Francis Gurney du Pont)	212
Emile F. du Pont (Grandson of Francis Gurney du Pont)	10
E. Paul du Pont, Jr. (Grandson of Francis Gurney du Pont)	10
Ernest du Pont, Jr. (Grandson of Francis Gurney du Pont)	40
Patricia du Pont (Granddaughter of Francis Gurney du Pont)	104
R. Jacques du Pont (Grandson of Francis Gurney du Pont)	10
Stephen du Pont (Grandson of Francis Gurney du Pont)	10
William du Pont, Jr.	3,690
Hopeton Holding Corporation	23,300

Common stock held by Delaware Trust Company U/W of William du Pont, Sr.—60% life interest in William du Pont, Jr., 40% life interest in Marion Scott.

GOVERNMENT TRIAL EXHIBIT No. 603—Continued

[fols. 3390-3393]

	No. of Shares
J. H. T. McConnell (Husband of Jean E. du Pont Davis McConnell (Daughter of William du Pont, Jr.))	40
Jean E. McConnell (Daughter of William du Pont, Jr.)	100
William S. Potter (Husband of Alice Harvey Potter (Daughter of Renee du Pont Harvey))	111
Potts & Company	6
Marion du Pont Scott (Daughter of William du Pont)	1,892
George T. Weymouth (Husband of Deo du Pont Weymouth (Granddaughter of Alexis I. Pont))	80
	30,574

[fol. 3394] GOVERNMENT TRIAL EXHIBIT No. 604

SHAREHOLDER LIST

Holders of Capital Stock in Delware Realty and Investment Company

	No. of Shares
Joan Ross Bolling (Granddaughter of William Kemble du Pont)	100
Alletta du Pont Bredin (Granddaughter of Irenee du Pont)	47
John Bruce Bredin (Son-in-law of Irenee du Pont)	90
Jonathan Bruce Bredin (Grandson of Irenee du Pont)	92
Laura Louise Bredin (Granddaughter of Irenee du Pont)	23
Margaretta Starrett Bredin (Granddaughter of Irenee du Pont)	127
Stephanie S. du Pont Bredin (Granddaughter of Irenee du Pont)	112
Gerret van S. Copeland (Grandson of Louisa du Pont Copeland)	1,334
Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	57,545
Lammot Copeland, Jr. (Grandson of Louisa du Pont Copeland)	3,892
Louisa d' A. Copeland (Granddaughter of Louisa du Pont Copeland)	4,033
Constance S. du Pont Darden (Daughter of Irenee du Pont)	6,750
Henry B. du Pont (Son of Henry B. du Pont)	56,437
Edward B. du Pont (Grandson of Henry B. du Pont)	7
Henry B. du Pont, III (Grandson of Henry B. du Pont)	7

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

[fol. 3395]

	No. of Shares
Henry B. du Pont, III and Stewart E. Poole, Trustees	
Irenee du Pont, Jr.	529
(Son of Irenee du Pont)	14,852
Barbara B. du Pont	
(Daughter-in-law of Irenee du Pont)	32
Irene du Pont	
(Granddaughter of Irenee du Pont)	63
Irenee du Pont, 3rd	
(Grandson of Irenee du Pont)	63
Cynthia du Pont	
(Granddaughter of Irenee du Pont)	55
Sally C. du Pont	
(Granddaughter of Irenee du Pont)	53
Jane de D. du Pont	
(Granddaughter of Lammot du Pont)	144
Lammot du Pont, Jr.	
(Son of Lammot du Pont)	12,241
Lammot du Pont, 3rd	
(Grandson of Lammot du Pont)	52
Mary W. du Pont	
(Daughter-in-law of Lammot du Pont)	185
Michele W. du Pont	
(Granddaughter of Lammot du Pont)	114
Pierre S. du Pont, 3rd	
(Son of Lammot du Pont)	5,493
Reynolds du Pont	
(Son of Lammot du Pont)	10,512
S. Hallock du Pont	
(Son of William Kemble du Pont)	23,482
Virginia Simmons du Pont	
(Daughter-in-law of William Kemble du Pont)	3,085

[fol. 3396]

William F. du Pont	
(Grandson of Lammot du Pont)	45
Natalie W. du Pont Edmonds	
(Daughter of Lammot du Pont)	6,518
Equitable Security Trust Company,[1] Trustee U/A with Lammot du Pont Copeland	750
(Son of Louisa du Pont Copeland)	
Equitable Security Trust Company,[1] Trustee U/A with Hugh Rodney Sharp	35,000
(Husband of Isabella du Pont Sharp)	
Equitable Security Trust Company,[1] Trustee U/A with Isabella du Pont Sharp	50,000
Charles S. Faulkner, 2nd	
(Grandson of Lammot du Pont)	37
Emily N. Faulkner	
(Granddaughter of Lammot du Pont)	15
Mary du Pont Faulkner	
(Daughter of Lammot du Pont)	5,747
H. Kimball Faulkner	
(Grandson of Lammot du Pont)	21
Alice L. Flint	
(Granddaughter of Irenee du Pont)	170
Constance Evelina Flint	
(Granddaughter of Irenee du Pont)	170
Henry A. Flint	
(Grandson of Irenee du Pont)	170
Lucile E. du Pont Flint	
(Daughter of Irenee du Pont)	2,350

[1] (Successor Trustee, Bank of Delaware)

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Peter H. Flint (Grandson of Irenee du Pont)	170
[fol. 3397]	
Robert B. Flint, Jr. (Grandson of Irenee du Pont)	170
Robert B. Flint, Sr. (Son-in-law of Irenee du Pont)	170
Nancy O. Frederick	328
Glenden Land Company	400
Crawford Hallock Greenwalt, Jr. (Grandson of Irenee du Pont)	193
David Greenewalt (Grandson of Irenee du Pont)	328
Margaretta L. Greenewalt (Daughter of Irenae du Pont)	5,616
Elise F. Jones (Granddaughter of Lammot du Pont)	27
Lack and Lindsay (Nominee for Wilmington Trust Company)	11,195
Walter J. Laird, William Winder Laird, Jr., and Joseph W. Chinn, Jr., Succeeding Trustees U/D of Trust for Alletta Laird Downs[1]	10,181
Walter J. Laird, William Winder Laird, Jr., and Joseph W. Chinn, Jr., Succeeding Trustees U/D of Trust of Mary Laird Downs[1]	10,178
Walter J. Laird, William Winder Laird, Jr., and Joseph W. Chinn, Jr., Succeeding Trustees U/D of Trust for Ross Hayward McDonald[1]	10,193
Walter J. Laird, William Winder Laird, Jr., and Joseph W. Chinn, Jr., Succeeding Trustees U/D of Trust for Wilhelmina Laird Craven[1]	10,203
[fol. 3398]	
George William Laird (Grandson of Mary Alletta du Pont Laird)	19
James Winder Laird (Grandson of Mary Alletta du Pont Laird)	19
Mary Alletta Laird (Granddaughter of Mary Alletta du Pont Laird)	19
William Winder Laird (Son of Mary Alletta du Pont Laird)	18,153
Laird & Company Corporation	46
Longwood Foundation, Inc. (Charitable corporation originally constituted by Pierre S. du Pont)	1,000
Ernest N. May, Jr. (Grandson of Irenee du Pont)	145
I. Sophie du Pont May (Daughter of Irenee du Pont)	4,270
Irenee du Pont May (Grandson of Irenee du Pont)	145
J. Eric May (Grandson of Irenee du Pont)	145
Thomas H. May (Grandson of Irenee du Pont)	145
Mertz & Moyer (Nominee for Wilmington Trust Company)	33,640
Nemours Corporation (Dean Family corporation)	33,300
Renappi Corporation (Ross family corporation)	33,000
Edith du Pont Riegel (Daughter of Lammot du Pont)	12,209

[1] (Walter J. Laird—Deceased; William Winder Laird, Jr.—Son of Mary Alletta du Pont Laird; Joseph Chinn—President, Wilmington Trust Company. Beneficiaries are the sisters of William Winder Laird, Jr.)

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Esther D. Riegel (Granddaughter of Lammot du Pont)	1
John Ely Riegel (Grandson of Lammot du Pont)	19
[fol. 3399]	
Natalie Margaret Riegel (Granddaughter of Lammot du Pont)	14
Richard E. Riegel (Son-in-law of Lammot du Pont)	100
Donald P. Ross, Jr. (Grandson of William Kemble du Pont)	100
Doris du Pont Silliman Stockley (Granddaughter of Irenee du Pont)	272
Eleanor Howland Silliman (Granddaughter of Irenee du Pont)	168
Henry H. Silliman (Son-in-law of Irenee du Pont)	49
Henry H. Silliman, Jr. (Grandson of Irenee du Pont)	208
Henry H. Silliman, III (Great-grandson of Irenee du Pont)	7
John Emory Silliman (Grandson of Irenee du Pont)	51
Mariana du Pont Silliman (Daughter of Irenee du Pont)	3,821
Mariana du Pont Silliman, Jr. (Granddaughter of Irenee du Pont)	168
Robert Morris Silliman (Grandson of Irenee du Pont)	156
Esther du Pont Thouron (Daughter of Lammot du Pont)	12,500
Wilmington Trust Company, Trustee U/A with Octavia M. du Pont Bredin dated 3/10/48 (Daughter of Irenee du Pont)	2,050
Wilmington Trust Company, Trustee U/A dated 12/29/48 with Octavia M. du Pont Bredin for Margaretta Starrett Bredin (Granddaughter of Irenee du Pont)	2,000
Wilmington Trust Company, Trustee U/A dated 11/22/49 with Octavia M. du Pont Bredin for Jonathan Bruce Bredin (Grandson of Irenee du Pont)	2,000

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

[fol. 3400]

	No. of Shares
Wilmington Trust Company, Trustee U/A dated 6/28/35 with Charles Copeland (Deceased)	4,000
Wilmington Trust Company, Trustee U/A dated 6/27/35 with Charles Copeland (Deceased)	4,000
Wilmington Trust Company, Trustee U/A dated 9/7/27 for Renee Carpenter Morgan (Daughter of Margaretta du Pont Carpenter)	5,000
Wilmington Trust Company, Trustee U/A dated 9/7/27 for Louisa C. Jenney (Louisa d'A. Carpenter) (Daughter of Margaretta du Pont Carpenter)	5,000
Wilmington Trust Company, Trustee U/A dated 9/7/27 for William K. du Pont Carpenter (Son of Margaretta du Pont Carpenter)	5,000
Wilmington Trust Company, Trustee U/A dated 9/7/27 for Robert R. M. Carpenter, Jr. (Son of Margaretta du Pont Carpenter)	5,000
Wilmington Trust Company, Trustee U/A dated 9/22/30 for R. R. M. Carpenter (Deceased) (Husband of Margaretta du Pont Carpenter)	45,000
Wilmington Trust Company, Trustee U/A dated 9/22/30 for Margaretta du Pont Carpenter	35,000
Wilmington Trust Company, Trustee U/A dated 1/9/56 with Octavia M. du Pont Bredin for Antonia du Pont Bredin (Daughter and granddaughter, respectively, of Irenee du Pont)	729
Wilmington Trust Company, Trustee U/A dated 4/5/54 with Octavia M. du Pont Bredin for Laura Louise Bredin (Daughter and granddaughter, respectively, of Irenee du Pont)	2,000
Wilmington Trust Company, Trustee U/A dated 8/7/51 with Octavia M. du Pont Bredin for Alletta du Pont Bredin (Daughter and granddaughter, respectively, of Irenee du Pont)	2,000
Wilmington Trust Company, Trustee U/A dated 6/29/35 with Charles Copeland (Deceased)	8,700
Wilmington Trust Company, Trustee U/A dated 6/29/35 with Charles Copeland (Deceased) for Gerret van Sweringen Copeland (Grandson of Louisa du Pont Copeland)	550

[fol. 3401]

Wilmington Trust Company, Trustee U/A dated 3/15/57 with Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	1,200
Wilmington Trust Company, Trustee U/A dated 5/24/48 with Lammot du Pont Copeland F/B/O William Watson et al. (Lammot is son of Louisa du Pont Copeland)	1,200
Wilmington Trust Company, Trustee U/A dated 12/23/48 with Lammot du Pont Copeland for Gerret van Sweringen Copeland (Son and grandson, respectively, of Louisa du Pont Copeland)	2,011
Wilmington Trust Company, Trustee U/A dated 5/24/48 with Lammot du Pont Copeland for Gerret van Sweringen Copeland (Son and grandson, respectively, of Louisa du Pont Copeland)	65
Wilmington Trust Company, Trustee U/A dated 12/27/50 with Lammot du Pont Copeland for Harvard & Johns Hopkins Univ., et al. (Son of Louisa du Pont Copeland)	2,400
Wilmington Trust Company, Trustee U/A dated 12/26/51 with Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	450
Wilmington Trust Company, Trustee U/A dated 4/25/52 with Lammot du Pont Copeland for Charles A. MacLellan et al. (Lammot is son of Louisa du Pont Copeland)	210
Wilmington Trust Company, Trustee U/A dated 12/29/53 with	1,000

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	
Wilmington Trust Company, Trustee U/A dated 1/12/54 with Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	1,000
Wilmington Trust Company, Trustee U/A dated 5/24/54 with Lammot du Pont Copeland and Charles Edward Sharpley (Lammot is son of Louisa du Pont Copeland)	120
Wilmington Trust Company, Trustee U/A dated 12/29/54 with Lammot du Pont Copeland for The Memorial Hospital et al. (Son of Louisa du Pont Copeland)	100
Wilmington Trust Company, Trustee U/A dated 12/29/54 with Lammot du Pont Copeland for the President and Fellows of Harvard College (Lammot is son of Louisa du Pont Copeland)	100
[fol. 3402]	
Wilmington Trust Company, Trustee U/A dated 12/29/54 with Lammot du Pont Copeland for Lammot du Pont Copeland, Jr., et al. (Son and grandson of Louisa du Pont Copeland)	240
Wilmington Trust Company, Trustee U/A dated 12/29/54 with Lammot du Pont Copeland for The Haskell Research Foundation, Inc., et al. (Son of Louisa du Pont Copeland)	800
Wilmington Trust Company, Trustee U/A dated 4/25/55 with Lammot du Pont Copeland for Copeland d'Andelot Foundation, Inc. (Son of Louisa du Pont Copeland)	2,100
Wilmington Trust Company, Trustee U/A dated 4/25/55 with Lammot du Pont Copeland for Del-Mar-Va Council, Inc. Boy Scouts of America, et al. (Son of Louisa du Pont Copeland)	150
Wilmington Trust Company, Trustee U/A dated 12/30/57 with Lammot du Pont Copeland (Son of Louisa du Pont Copeland)	1,050
Wilmington Trust Company, Trustee U/A dated 12/31/40 with Constance S. du Pont Darden (Daughter of Irenee du Pont)	4,500
Wilmington Trust Company, Trustee U/A dated 3/28/32 with Henry Belin du Pont	10,000
Wilmington Trust Company, Trustee U/A dated 12/27/34 with Henry Belin du Pont	2,500
Wilmington Trust Company, Trustee U/A dated 12/28/34 with Henry Belin du Pont	2,500
Wilmington Trust Company, Trustee U/A dated 12/29/34 with Henry Belin du Pont	2,500
Wilmington Trust Company, Trustee U/A dated 11/26/48 with Henry Belin du Pont	15,000
Wilmington Trust Company, Trustee U/A dated 12/27/54 with Irenee du Pont, Jr. for Irene du Pont (Son and granddaughter, respectively, of Irenee du Pont)	1,358
[fol. 3403]	
Wilmington Trust Company, Trustee U/A dated 12/27/54 with Irenee du Pont, Jr., for Irenee du Pont, III (Son and grandson, respectively, of Irenee du Pont)	1,358
Wilmington Trust Company, Trustee U/A dated 12/27/54 with Irenee du Pont, Jr. for Cynthia du Pont (Son and granddaughter, respectively, of Irenee du Pont)	1,358
Wilmington Trust Company, Trustee U/A dated 12/27/54 with Irenee du Pont, Jr. for Sally Carpenter du Pont (Son and granddaughter, respectively, of Irenee du Pont	1,358

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Wilmington Trust Company, Trustee U/A dated 8/19/55 with Irenee du Pont, Jr. (Son of Irenee du Pont)	700
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Lammot du Pont, Jr. (Latter is son of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Pierre S. du Pont, III (Latter is son of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Reynolds du Pont (Latter is son of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Willis Harrington du Pont (Latter is son of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Natalie du Pont Edmonds (Latter is daughter of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Mary du Pont Faulkner (Latter is daughter of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Edith du Pont Riegel (Latter is daughter of Lammot du Pont)	200
Wilmington Trust Company, Trustee U/A dated 7/18/41 with Lammot du Pont for Esther du Pont Thouron (Latter is daughter of Lammot du Pont)	200
[fol. 3404]	
Wilmington Trust Company, Trustee U/A dated 11/20/42 with Lammot du Pont for Willis H. du Pont (Latter is son of Lammot du Pont)	275
Wilmington Trust Company, Trustee U/A dated 7/12/45 with Pierre S. du Pont, 3rd, for Jane de Doliete du Pont (Son and granddaughter of Lammot du Pont, respectively)	64
Wilmington Trust Company, Trustee U/A dated 6/26/47 with Pierre S. du Pont, 3rd, for Michele Wainwright du Pont (Son and granddaughter of Lammot du Pont, respectively)	59
Wilmington Trust Company, Trustee U/A dated 10/30/41 with Pierre S. du Pont, 3rd, for Pierre S. du Pont, 4th (Son and grandson of Lammot du Pont, respectively)	59
Wilmington Trust Company, Trustee U/A dated 11/19/43 with Reynolds du Pont for Katherine Lewars du Pont (Son and daughter-in-law of Lammot du Pont, respectively)	75
Wilmington Trust Company, Trustee U/A dated 11/30/56 with Reynolds du Pont for Katherine du Pont (Son and granddaughter of Lammot du Pont, respectively)	400
Wilmington Trust Company, Trustee U/A dated 11/30/56 with Reynolds du Pont for Reynolds du Pont, Jr. (Son and grandson of Lammot du Pont, respectively)	400
Wilmington Trust Company, Trustee U/A dated 11/30/56 with Reynolds du Pont for Thomas Lewars du Pont (Son and grandson of Lammot du Pont, respectively)	400
Wilmington Trust Company, Trustee U/A dated 11/30/56 with Reynolds du Pont for Natalie Price du Pont (Son and granddaughter of Lammot du Pont, respectively)	400
Wilmington Trust Company, Trustee U/A dated 11/30/56 with Reynolds du Pont for Michael Belfield du Pont (Son and grandson of Lammot du Pont, respectively)	400
Wilmington Trust Company, Trustee U/A dated 12/14/37 with Samuel Hallock du Pont for Samuel Hallock du Pont, Jr. (Son and grandson of William Kemble du Pont, respectively)	2,142

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Wilmington Trust Company, Trustee U/A dated 12/30/38 with Samuel Hallock du Pont for William Kemble du Pont (Son and grandson of William Kemble du Pont, respectively)	2,099

[fol. 3405]

Wilmington Trust Company, Trustee U/A dated 5/14/42 with Samuel Hallock du Pont for Richard Simmons du Pont (Son and grandson of William Kemble du Pont, respectively)	1,742
Wilmington Trust Company, Trustee U/A dated 12/3/56 with Samuel Hallock du Pont (Son of William Kemble du Pont)	900
Wilmington Trust Company, Trustee U/A dated 8/21/35 with Natalie du Pont Edmonds (Daughter of Lammot du Pont)	326
Wilmington Trust Company, Trustee U/A dated 2/19/54 with Natalie du Pont Edmonds for Andrew W. Edmonds (Daughter and grandson of Lammot du Pont, respectively)	449
Wilmington Trust Company, Trustee U/A dated 2/19/54 with Natalie du Pont Edmonds for George F. Edmonds, Jr. (Daughter and grandson of Lammot du Pont, respectively)	449
Wilmington Trust Company, Trustee U/A dated 12/23/46 with James M. Faulkner for Andrew G. Faulkner (Son-in-law and grandson of Lammot du Pont, respectively)	40
Wilmington Trust Company, Trustee U/D of Trust dated 12/30/35 with Mary du Pont Faulkner (Daughter of Lammot du Pont)	143
Wilmington Trust Company, Trustee U/A dated 12/30/38 with Mary du Pont Faulkner (Daughter of Lammot du Pont)	64
Wilmington Trust Company, Trustee U/A dated 12/6/41 with Mary du Pont Faulkner for Henry B. Faulkner (Daughter and grandson of Lammot du Pont, respectively)	59
Wilmington Trust Company, Trustee U/A dated 12/7/40 with Lucile du Pont Flint for Alice Lucile Flint (Daughter and granddaughter of Irenee du Pont, respectively)	55
Wilmington Trust Company, Trustee U/A dated 12/7/40 with Lucile du Pont Flint for Constance Evelina Flint (Daughter and granddaughter of Irenee du Pont, respectively)	55
Wilmington Trust Company, Trustee U/A dated 12/7/40 with Lucile du Pont Flint for Henry Alexis Flint (Daughter and grandson of Irenee du Pont, respectively)	55

[fol. 3406]

Wilmington Trust Company, Trustee U/A dated 12/7/40 with Lucile du Pont Flint for Peter Hubbard Flint (Daughter and grandson of Irenee du Pont, respectively)	55
Wilmington Trust Company, Trustee U/A dated 12/7/40 with Lucile du Pont Flint for Robert Barnett Flint, Jr. (Daughter and grandson of Irenee du Pont, respectively)	55
Wilmington Trust Company, Trustee U/A dated 12/27/40 with Lucile du Pont Flint for Robert B. Flint et al. (Daughter and son-in-law of Irenee du Pont, respectively)	2,615
Wilmington Trust Company, Trustee U/A dated 8/14/41 with Lucile du Pont Flint for Trustor's Issue (Daughter of Irenee du Pont)	90
Wilmington Trust Company, Trustee U/A dated 8/28/50 with Lucile E. du Pont for Alice L. Flint, et al. (Daughter and granddaughter of Irenee du Pont, respectively)	500
Wilmington Trust Company, Trustee U/A dated 8/28/50 with	55

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Lucile E. du Pont Flint for Alice L. Flint (Daughter and granddaughter of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	500
Lucile E. du Pont for Constance E. Flint et al (Daughter and granddaughter of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	55
Lucile E. du Pont Flint for Constance E. Flint (Daughter and granddaughter of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	500
Lucile E. du Pont Flint for Henry A. Flint, et al. (Daughter and grandson of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	55
Lucile E. du Pont Flint for Henry A. Flint (Daughter and grandson of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	500
Lucile E. du Pont Flint for Peter H. Flint et al. (Daughter and grandson of Irenee du Pont, respectively) Wilmington Trust Company, Trustee U/A dated 8/28/50 with	55
Lucile E. du Pont Flint for Peter H. Flint (Daughter and grandson of Irenee du Pont, respectively)	
[fol. 3407]	
Wilmington Trust Company, Trustee U/A dated 8/28/50 with	500
Lucile E. du Pont Flint for Robert B. Flint, Jr. et al. (Daughter and grandson of Irenee du Pont, respectively)	55
Wilmington Trust Company, Trustee U/A dated 8/28/50 with Lucile E. du Pont Flint for Robert B. Flint, Jr. (Daughter and grandson of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 12/29/54 with	400
Lucile E. du Pont Flint for United Community Fund of Northern Delaware, Inc. et al. (Daughter of Irenee du Pont)	
Wilmington Trust Company, Trustee U/A dated 8/10/55 with	325
Lucile E. du Pont Flint for Alice L. Flint (Daughter and granddaughter of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 8/10/55 with	325
Lucile E. du Pont Flint for Constance E. Flint (Daughter and granddaughter of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 8/10/55 with	325
Lucile E. du Pont Flint for Henry A. Flint (Daughter and grandson of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 8/10/55 with	325
Lucile E. du Pont Flint for Peter H. Flint (Daughter and grandson of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 8/10/55 with	325
Lucile E. du Pont Flint for Robert B. Flint, Jr. (Daughter and grandson of Irenee du Pont, respectively)	
Wilmington Trust Company, Trustee U/A dated 8/11/55 with	100
Lucile E. du Pont Flint for Scott H. Flint and Ethel Everts Flint (Lucile is daughter of Irenee du Pont; Scott H. Flint is father-in-law of Lucile E. du Pont Flint)	
Wilmington Trust Company, Trustee U/A dated 12/27/40 with	3,585
Margaretta L. Greenewalt (Daughter of Irenee du Pont)	
Wilmington Trust Company, Trustee U/A dated 11/25/46 with	1,200
Margaretta L. Greenewalt (Daughter of Irenee du Pont)	
Wilmington Trust Company, Trustee U/A dated 7/25/30 with	20,000
Mary A. B. du Pont Laird	
[fol. 3408]	
Wilmington Trust Company, Trustee U/A dated 12/31/40 with	6,400
I. Sophie du Pont May (Daughter of Irenee du Pont)	

GOVERNMENT TRIAL EXHIBIT No. 604—Continued

	No. of Shares
Wilmington Trust Company, Trustee U/A dated 12/5/40 with Eleanor F. Rust (Daughter of Irenee du Pont)	6,000
Wilmington Trust Company, Trustee U/A dated 6/14/50 with Eleanor F. Rust (Daughter of Irenee du Pont)	0
Wilmington Trust Company, Trustee U/A dated 6/19/57 with Henry H. Silliman, Jr. (Grandson of Irenee du Pont)	100
Wilmington Trust Company, Trustee U/A dated 8/17/34 with Mariana du Pont Silliman (Daughter of Irenee du Pont)	15
Wilmington Trust Company, Trustee U/A dated 8/7/35 with Mariana du Pont Silliman (Daughter of Irenee du Pont)	1,200
Wilmington Trust Company, Trustee U/A dated 12/27/40 with Mariana du Pont Silliman for Doris du Pont Silliman (Daughter and granddaughter of Irenee du Pont, respectively)	485
Wilmington Trust Company, Trustee U/A dated 12/27/40 with Mariana du Pont Silliman for Eleanor Howland Silliman (Daughter and granddaughter of Irenee du Pont, respectively)	600
Wilmington Trust Company, Trustee U/A dated 12/27/40 with Mariana du Pont Silliman for Henry H. Silliman, Jr. (Daughter and grandson of Irenee du Pont, respectively)	420
Wilmington Trust Company, Trustee U/A dated 10/20/53 with Mariana du Pont Silliman for John Emory Silliman (Daughter and grandson of Irenee du Pont, respectively)	393
Wilmington Trust Company, Trustee U/A dated 12/2/41 with Mariana du Pont Silliman for Mariana du Pont Silliman, Jr. (Daughter and granddaughter of Irenee du Pont, respectively)	600
Wilmington Trust Company, Trustee U/A dated 5/13/48 with Mariana du Pont Silliman for Robert Morris Silliman (Daughter and grandson of Irenee du Pont, respectively)	600

[fol. 3409-3414]

Wilmington Trust Company, Trustee U/A dated 2/21/51 with Mariana du Pont Silliman for Doris du Pont Silliman (Daughter and granddaughter of Irenee du Pont, respectively)	275
Wilmington Trust Company, Trustee U/A dated 2/21/51 with Mariana du Pont Silliman for Eleanor Howland Silliman (Daughter and granddaughter of Irenee du Pont, respectively)	265
Wilmington Trust Company, Trustee U/A dated 2/21/51 with Mariana du Pont Silliman for Henry Harper Silliman, Jr. (Daughter and grandson of Irenee du Pont, respectively)	275
Wilmington Trust Company, Trustee U/A dated 2/21/51 with Mariana du Pont Silliman for Mariana du Pont Silliman, Jr. (Daughter and granddaughter of Irenee du Pont, respectively)	265
Wilmington Trust Company, Trustee U/A dated 2/21/51 with Mariana du Pont Silliman for Robert Morris Silliman (Daughter and grandson of Irenee du Pont, respectively)	265
Wilmington Trust Company, Trustee U/A dated 12/30/53 with Mariana du Pont Silliman (Daughter of Irenee du Pont)	460
Wilmington Trust Company, Trustee under the Will of William Winder Laird (Husband of Mary Alletta du Pont Laird)	20,000
	785,000

[fol. 3415] GOVERNMENT TRIAL EXHIBIT No. 605-A

Stockholdings in Wilmington Trust Company Common Stock

	No. of Shares
Bank of Delaware Trusts	
Mary H. Browning (Daughter of Renee du Pont Harvey)	68
Edmund Harvey (Son of Renee du Pont Harvey)	636
Alice H. Potter (Daughter of Renee du Pont Harvey)	588
Sophie Sharpless (Daughter of Renee du Pont Harvey)	676
	1,968
Delaware Trust Company Trusts	
Total Shares	25,820
Vote in Delaware Trust Company	12,460
Individual Advisor(s)	4,500
Jointly voted with individual(s)	7,708
No voice in Delaware Trust Company	1,152

[fol. 3467] GOVERNMENT TRIAL EXHIBIT NO. 669

Note: On an alternative basis, the composite of percentage changes in stock prices may be stated as follows:

Composite of Index Numbers Based on Monthly Closing Prices
(First Month Equals 100)

	16 Rights Offerings		6 Public Offerings	
	(1)	(2)	(1)	(2)
Month	Stock Price	Stock Price Deflated By S&P Utilities Index	Stock Price	Stock Price Deflated By S&P Utilities Index
1	100.00	100.00	100.00	100.00
2	101.89	101.64	100.05	99.16
3	101.84	100.84	101.76	99.28
4	100.01	98.41	101.12	99.65
5	102.58	99.77	101.78	99.75
6	104.06	101.39	101.71	100.05
7	103.93	101.43	102.94	100.57
8	104.77	101.70	102.10	99.72
9	103.93	101.49	102.31	99.01
10	102.80	100.69	103.76	100.20
11	103.95	100.37	106.03	99.70
12	107.02	101.67	106.01	98.93
13	106.28	100.78	105.87	99.21
14	108.73	101.11	106.96	99.38
15	108.27	100.19	107.26	99.21
16	110.22	101.19	107.50	98.31

[fol. 3468] GOVERNMENT TRIAL EXHIBIT NO. 670

Note: Comparison of the percentage changes in stock prices during the 16 month period under review with corresponding changes in relevant Standard & Poor's special stock price indexes (e.g. steel, copper, tobacco, etc.) are shown below as a composite for 16 New Industrial Issues offered through subscription rights, 3 New Industrial Issues offered to the public, and 7 Secondary Distributions of Industrial Stocks. In each instance, the composite figures represent simple arithmetic averages for the changes in stock prices and index numbers included within a given group. The list of such stocks is identical with the Industrial Issues set forth above except for the elimination of Minneapolis-Honeywell Regulator Co., Halliburton Oil Well Cementing Co., and Corning Glass Works. None of the S&P special stock price indexes were deemed satisfactory for purposes of comparison with these three issues. Because of change in the number of issues included in the sample, composite data are also presented for changes in the S&P Industrial Stock Price Index.

Time Interval		Per Cent Change In		
		(1)	(2)	(3)
From End Of	To End Of	Stock Price	S&P Stock Price Index for Industrials	S&P Stock Price Index for Special Industry Groups
		16 New Issues Offered Through Subscription Rights[1]		
1st Month	2nd Month	+ 1.19	+ 1.00	+ 2.01
2nd "	3rd "	− 0.53	+ 0.55	+ 1.85
"	4th "	− 4.86	+ 0.31	− 1.00
4th "	5th "	+ 1.83	− 0.86	− 0.64
5th "	16th "	+ 1.68	+ 5.52	+ 7.80
		3 New Issues Offered to Public[1]		
1st Month	2nd Month	+18.44	+ 4.73	+ 7.11
2nd "	3rd "	− 4.19	+ 3.07	+ 2.80
3rd "	4th "	− 2.56	+ 1.94	− 3.77
4th "	5th "	+ 3.13	+ 1.96	+ 2.81
5th "	16th "	+ 1.32	+ 5.09	+ 6.62
		7 Secondary Distributions[2]		
1st Month	2nd Month	+ 5.67	+ 1.22	+ 2.78
2nd "	3rd "	+ 0.29	+ 1.44	+ 2.92
3rd "	4th "	+ 0.61	+ 3.13	− 0.29
4th "	5th "	− 1.04	+ 2.02	+ 0.23
5th "	16th "	+ 4.48	+ 7.20	+10.85

[1] Issues represent average increase in stock outstanding equal to 11.56% for rights offering and 11.14% for public offerings.
[2] Issues represent average equivalent of 6.20% of stock outstanding.

[fol. 3469] GOVERNMENT TRIAL EXHIBIT No. 671

Note: On an alternative basis, the composite of percentage changes in stock prices during the 16 month period under review may be stated as follows:

Composite of Index Numbers Based on Monthly Closing Prices
(First Month Equals 100)

	17 Rights Offerings		4 Public Offerings		8 Secondary Distributions	
	(1)	(2)	(1)	(2)	(1)	(2)
Month	Stock Price Index	Stock Price Deflated By S & P Industrial Index	Stock Price Index	Stock Price Deflated By S & P Industrial Index	Stock Price Index	Stock Price Deflated By S & P Industrial Index
1	100.00	100.00	100.00	100.00	100.00	100.00
2	101.42	100.20	116.52	112.47	105.33	103.99
3	101.51	99.61	112.80	108.71	104.84	102.11
4	97.26	95.00	112.04	108.30	105.62	100.09
5	98.21	97.04	117.11	111.16	105.41	97.86
6	98.92	96.47	118.69	114.95	107.79	99.16
7	98.31	95.60	116.73	112.53	105.66	96.78
8	98.69	95.65	120.13	114.41	105.59	95.99
9	100.77	95.98	118.85	113.77	103.39	94.87
10	99.65	93.98	121.13	115.12	105.02	92.23
11	100.66	95.45	118.75	115.84	103.65	91.67
12	100.90	95.00	115.96	112.93	104.84	91.35
13	100.47	94.05	117.89	113.78	107.29	92.65
14	100.24	92.88	118.17	112.88	106.58	92.18
15	100.68	94.13	119.08	112.88	114.14	95.66
16	100.63	93.38	114.46	106.19	115.27	95.57

Stock Price Index Deflated By Special S & P Industry Group Index[1]

1	100.00	100.00	100.00
2	99.24	110.58	102.92
3	96.97	103.05	100.27
4	93.23	104.23	100.83
5	95.57	104.49	99.83
6	94.89	104.23	99.77
7	94.57	99.74	98.78
8	93.91	101.47	99.50
9	94.99	99.18	98.01
10	93.96	98.46	97.65
11	94.70	97.86	95.35
12	92.08	95.59	96.17
13	93.23	99.55	97.03
14	93.07	100.41	95.19
15	94.02	100.09	97.88
16	91.55	99.36	94.60

[1] In this series the stock price index has been deflated by relevant Standard & Poor's special stock price indexes (e.g. steel, copper, tobacco, etc.). The composite indexes—which are simple arithmetic averages—are for 16 new industrial issues offered through subscription rights, 3 new industrial issues offered to the public, and 7 secondary distributions of industrial stocks. The list of such stocks is identical with the industrial stocks set forth above except for the elimination of Minneapolis-Honeywell Regulator Co., Halliburton Oil Well Cementing Co., and Corning Glass Works. None of the special S & P stock price indexes was deemed satisfactory for purposes of comparison with these three issues.

[fol. 3470] GOVERNMENT TRIAL EXHIBIT No. 672

The Great Atlantic and Pacific Tea Co. Common Stock

Registration Filed with S.E.C. March 4, 1959
Secondary Offering 3/24/59—1,800,000 Shares Common Stock at $44.50 per Share

1959	High	Low	Close	Dow-Jones Closing Average Industrials
Jan 19	$50.750	$50.250	$50.500	594.40
20	50.750	50.250	N/A	595.69
21	50.625	50.250	50.375	597.66
22	50.000	49.125	49.125	595.69
23	49.250	48.375	49.125	590.07
26	49.500	48.500	48.500	592.37
27	49.500	48.500	49.500	594.66
28	49.500	48.750	48.750	588.53
29	48.875	48.250	48.250	590.40
30	48.500	48.250	48.375	593.96
Feb 2	48.375	48.000	48.125	592.23
3	48.375	48.000	48.250	592.34
4	48.500	47.875	48.000	589.38
5	48.000	47.000	47.125	586.12
6	47.375	47.000	47.000	582.33
9	46.750	46.250	46.500	574.46
10	48.000	46.625	48.000	582.65
11	49.375	48.375	48.500	584.03
12	49.375	48.625	48.625	581.89
13	49.125	48.250	48.250	587.97
16	48.000	47.750	47.750	587.91
17	47.875	47.125	47.500	586.71
18	47.500	47.250	47.375	588.82
19	47.375	47.000	47.125	595.04
20	47.500	47.125	47.125	602.21
23		Holiday		
24	47.375	46.750	46.875	602.91
25	47.000	46.250	46.375	601.18
26	46.375	46.000	46.250	602.00
27	46.375	46.000	46.000	603.50
Mar 2	46.250	46.125	46.125	605.03
3	46.875	46.250	46.500	610.78
4	46.875	46.250	46.250	611.84
5	46.125	44.750	44.750	611.87
6	45.250	44.125	45.000	609.52
9	45.875	45.250	45.500	609.96
10	46.375	45.875	46.250	611.14
11	46.875	46.375	46.625	611.49
12	46.875	46.000	46.000	613.75
13	46.000	45.125	45.125	614.69

GOVERNMENT TRIAL EXHIBIT No. 672—Continued

1959	High	Low	Close	Dow-Jones Closing Average Industrials
16	45.125	44.125	44.250	607.88
17	44.750	44.125	44.250	612.69
18	45.125	44.500	44.750	610.87
19	44.875	44.375	44.625	610.02
20	44.875	44.500	44.750	610.37
23	45.000	44.500	44.500	605.56
24	44.875	44.500	44.625	606.73
25	44.875	44.500	44.750	606.47
26	44.875	44.750	44.875	606.58
27		Good Friday		
30	44.750	44.500	44.500	602.65
31	44.625	44.500	44.500	601.71
Apr 1	44.625	44.500	44.500	602.94
2	44.625	44.500	44.500	607.52
3	44.625	44.500	44.500	611.93

Source: "Wall Street Journal"

[fol. 3471] GOVERNMENT TRIAL EXHIBIT No. 673

Ford Motor Company Common Stock

Registration Filed with S.E.C. March 12, 1959
Secondary Offering 3/31/59—2,000,000 Shares Common Stock at $56.50 per Share

1959	High	Low	Close	Dow-Jones Closing Average Industrials
Jan 26	$55.375	$54.750	$54.750	592.37
27	55.000	54.250	55.000	594.66
28	54.875	53.750	54.125	588.53
29	54.750	54.000	54.500	590.40
30	54.750	54.000	54.375	593.96
Feb 2	54.375	54.000	54.125	592.23
3	54.750	54.125	54.375	592.34
4	54.625	54.125	54.250	589.38
5	53.875	53.375	53.375	586.12
6	52.875	51.750	51.875	582.33
9	51.875	50.875	51.000	574.46
10	52.875	51.000	51.875	582.65
11	54.000	53.000	53.875	584.03
12	54.250	53.500	53.625	581.89
13	54.375	53.625	54.000	587.97
16	54.375	53.875	63.875	587.91
17	53.500	53.000	53.375	586.71
18	53.875	53.125	53.750	588.82
19	54.500	53.500	54.375	595.04
20	55.875	54.750	55.750	602.21
23		Holiday		
24	56.000	55.375	55.500	602.91
25	55.625	55.000	55.125	601.18
26	55.375	54.875	55.125	602.00
27	55.875	55.500	55.625	603.50
Mar 2	55.875	55.375	55.750	605.03
3	56.375	55.500	56.250	610.78
4	57.750	56.375	57.625	611.84
5	57.750	56.750	56.875	611.87
6	55.875	54.875	55.125	609.52
9	54.875	54.250	54.250	609.96
10	54.500	54.000	54.125	611.14
11	54.875	54.250	54.750	611.49
12	55.500	55.125	55.375	613.75
13	55.000	54.500	54.750	614.69
16	54.625	54.500	54.500	607.88
17	55.375	54.500	55.125	612.69
18	57.250	55.375	57.000	610.87
19	59.500	57.750	59.000	610.02
20	59.125	58.500	58.750	610.37

GOVERNMENT TRIAL EXHIBIT No. 673—Continued

1959		High	Low	Close	Dow-Jones Closing Average Industrials
	23	58.875	57.875	57.875	605.56
	24	58.000	57.625	57.750	606.73
	25	57.750	57.000	57.000	606.47
	26	57.125	56.750	57.000	606.58
	27		Good Friday		
	30	57.375	56.875	56.875	602.65
	31	57.375	57.000	57.125	601.71
Apr	1	57.000	56.625	56.750	602.94
	2	57.500	56.875	57.375	607.52
	3	59.125	57.625	59.000	611.93

Source: "Wall Street Journal"

The Atlantic & Pacific Tea Company

Distribution of Common Stock Holdings
After Giving Effect To Sale Of
1,500,000 Shares Through Tender Offer May 1959
Approximately 87% of stock outstanding

Depositing Stockholders	No. of Shares	% of Total Equity After	Before Total equity
1) John A Hartford Foundation	7,352,074	34%	34%
2) Hartford Family	6,629,884	39%	47.3
Others	7,657,244	27%	19%
Total	21,639,206	100%	

1) Holdings of record as of Feb 25, 1959, Supporting Papers.
2) Holdings of record as of Feb. 25, 1959 for following.
(Descendants of George Huntington Hartford.
Josephine H Boyd
Rachel C. Carpenter
Minnie [illegible])

1 - 7,352,074 - 33.975 - 34%
2 - 8,441,586 - 39.016 - 39%
3 - 5,845,546 - 27.013 - 27%
21,639,206 100%

[fol. 3416]

GOVERNMENT TRIAL EXHIBIT No. 618

OFFERINGS OF COMMON STOCK OF GAS AND ELECTRIC PUBLIC UTILITY CORPORATIONS IN AMOUNTS OF $25 MILLION AND OVER DURING THE SEVEN YEAR PERIOD 1951 - 1957

(1) Percentage Changes in Market Price of Stock (As Indicated by Monthly Closing Prices) From Three Months Prior to Month-of-Offering to Twelve Months Subsequent to Month-of-Offering.

(2) Percentage Changes In Standard & Poor's Stock Price Index For Utilities (As Indicated by Monthly Closing Figures) From Three Months Prior to Month-of-Offering to Twelve Months Subsequent to Month-of-Offering.

(3) With Reference to New Issues, the Per Cent Increase in Stock Outstanding, and with Reference to Secondary Distribution, the Per Cent of Stock Outstanding.

(Excluded from this compilation are offerings of common stock which are new to the public and for which stock exchange prices are not available for the three-month period prior to the month-of-offering.)

Company	Offering Date	Amount	Per Cent Increase in Stock	Percentage Change (1) Stock	(1) Index	(2) Stock	(2) Index	(3) Stock	(3) Index	(4) Stock
New Issues Offered Through Subscription Rights										
Pacific Gas & Electric Co.	3-13-51	$ 44,006,422	14.29	+ 3.91	+ 3.86	+ 3.76	+ 2.18	- 7.61	- 2.23	+ 1.18
Pacific Gas & Electric Co.	6-10-52	68,139,000	20.00	- 3.59	- 1.99	(None)	+ 1.44	+ 0.74	+ 0.04	+ 3.69
El Paso Natural Gas Co.	3-25-53	28,726,165	25.04	- 1.70	+ 0.61	- 1.38	- 1.09	- 1.75	- 0.86	- 2.85
Pacific Gas & Electric Co.	9-15-53	65,218,772	14.29	+ 3.40	+ 2.98	(None)	- 0.30	- 2.96	+ 0.72	+ 3.39
Pennsylvania Power & Light Co.	4- 2-54	28,020,451	14.29	+13.59	+ 0.74	+ 3.0[illegible]	+ 2.27	- 2.98	+ 0.79	+ 1.84
Philadelphia Electric Co.	6- 9-54	30,835,178	8.33	- 0.34	+ 0.79	+ 5.80	+ 2.16	- 4.84	+ 0.55	+ 3.73
American Natural Gas Co.	8- 9-55	35,737,516	20.00	+ 0.24	+ 1.72	+13.74	+ 4.28	- 5.00	+ 0.15	+ 2.19
Commonwealth Edison Co.	11-1-55	41,636,513	6.67	- 3.24	- 3.27	- 6.98	- 1.23	+ 0.90	+ 2.53	- 1.79
Southern Co.	11-1-55	26,377,802	8.33	+ 1.23	- 3.27	- 7.93	- 1.23	+ 3.31	+ 2.53	+ 2.56
Pacific Gas & Electr[illegible] Co.	6-12-56	36,575,595	5.00	- 2.12	- 3.25	- 2.17	- 1.77	- 1.48	+ 1.71	+ 4.00
Ohio Edison Co.	1-31-57	26,998,505	10.00	+ 2.24	- 0.13	- 2.68	+ 0.63	+ 0.75	+ 2.83	- 2.23
Southern Co.	3-13-57	30,146,080	7.69	+ 9.76	+ 2.83	- 3.33	- 1.01	- 0.58	+ 0.37	+ 6.36
Houston Lighting & Power Co.	3-25-57	26,327,180	10.00	+ 4.52	+ 2.83	- 2.89	- 1.01	- 0.99	+ 0.37	+11.00
Columbia Gas System	4- 3-57	26,387,786	7.69	- 1.42	- 1.01	(None)	+ 0.37	- 0.72	+ 3.61	+ 2.17
TOTAL			171.62	+26.48	+ 3.44	- 0.99	+ 5.69	-23.21	+13.11	+35.24
AVERAGE			12.26	+ 1.89	+ 0.25	- 0.07	+ 0.41	- 1.66	+ 0.94	+ 2.52

[fol. 3417]

[redacted]

[redacted]

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1950 Equals 100) Monthly Closing Prices For Pacific Gas & Electric Common Stock (1) Stock Price	(2) Stock Price Deflated by S&P Utilities 1/
Dec. 50	33.375	30.750	32.000	100.00	100.00
Jan. 51	33.375	32.000	33.250	103.91	100.05
Feb.	34.500	33.000	34.500	107.81	98.44
Mar.	34.750	31.875	31.875	99.61	96.00
Apr.	32.500	31.875	32.250	100.78	97.56
May	32.750	32.125	32.750	102.34	98.93
June	33.000	32.125	32.375	101.17	98.68
July	33.250	32.125	33.000	103.12	96.84
Aug.	34.000	32.750	33.875	105.86	98.41
Sept.	34.250	32.875	32.875	102.73	95.14
Oct.	33.625	32.625	33.000	103.13	95.69
Nov.	34.250	33.000	33.750	105.47	97.16
Dec.	34.625	33.500	33.750	105.47	94.30
Jan. 52	35.500	33.750	35.250	110.16	96.02
Feb.	36.000	34.875	34.875	108.98	94.86
Mar.	35.500	34.375	34.875	108.98	93.65

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to December 1950 base. The deflated index numbers state the Pacific Gas & Electric stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 3/13/51

$44,006,422
1,419,562 Shs. Com. Stk.

Subscription Price $31.00 Per Sh.

Rights 1-For-7 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Dec. 50	Jan. 51	↑3.91	↑3.86
Jan. 51	Feb.	↑3.78	↑2.18
Feb.	Mar.	-7.61	-2.23
Mar.	Apr.	↑1.18	-0.45
Apr.	Mar. 52	↑8.14	↑12.66

Prices Range Per Share of

GOVERNMENT TRIAL EXHIBIT No. 619

[fol. 3418]

PACIFIC GAS AND ELECTRIC CO.

Price Range of Common Stock By Months
March 1952 to June 1953

Year and Month	Price Per Share High	Low	Close	Index Numbers (Mar. 1952 Equals 100) Monthly Closing Prices Per Pacific Gas & Electric Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
Mar. 52	35.500	34.375	34.875	100.00	100.00
Apr.	34.875	33.250	33.625	96.42	98.38
May	34.000	33.250	33.625	96.42	96.98
June	34.125	32.375	33.875	97.13	97.65
July	35.125	33.875	35.125	100.72	99.66
Aug.	35.875	34.875	35.750	102.51	99.86
Sept.	36.000	35.125	35.750	102.51	100.16
Oct.	37.125	33.875	36.750	105.38	102.39
Nov.	38.375	36.500	38.125	109.32	102.35
Dec.	39.625	37.375	39.125	112.19	103.28
Jan. 53	39.250	38.250	39.250	112.54	102.97
Feb.	39.375	38.500	39.125	112.19	103.78
Mar.	40.000	37.875	38.000	108.96	101.67
Apr.	38.000	36.250	37.625	107.89	103.10
May	38.750	37.500	38.500	110.39	105.72
June	38.500	34.500	36.750	105.38	104.22

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to March 1952 base. The deflated index numbers state the Pacific Gas & Electric stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 6/10/52

$68,139,000
2,271,300 Shares Com. Stk.

Subscription Price $30.00 Per Share

Rights 1-For-5 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Mar. 52	Apr. 52	-3.59	-1.99
Apr.	May	No Change	↑1.44
May	June	↑0.74	↑0.04
June	July	↑3.69	↑1.60
July	June 53	↑4.63	↑0.04

GOVERNMENT TRIAL EXHIBIT No. 620

[fol. 3419]

[redacted]

[redacted]

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1952 Equals 100) Monthly Closing Prices For El Paso Natural Gas Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
Dec. 52	36.875	34.500	36.875	100.00	100.00
Jan. 53	37.250	36.250	36.250	98.31	97.71
Feb.	36.375	34.375	35.750	96.95	97.43
Mar.	37.250	34.750	35.125	95.25	96.54
Apr.	35.250	33.000	34.125	92.54	96.07
May	34.875	33.750	34.500	93.56	97.33
June	34.625	31.875	32.500	88.14	94.69
July	33.500	32.625	32.875	89.15	93.01
Aug.	33.375	32.125	32.125	87.12	91.17
Sept.	33.500	30.000	33.125	89.83	93.33
Oct.	35.250	32.500	35.000	94.92	95.15
Nov.	35.875	34.625	35.750	96.95	95.01
Dec.	36.125	35.125	35.500	96.27	94.16
Jan. 54	37.375	35.375	37.000	100.34	95.44
Feb.	37.250	36.625	37.000	100.34	94.74
Mar.	37.250	36.000	36.375	98.64	91.07

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to Dec. 1952 base. The deflated index numbers state the El Paso Natural Gas stock price index as a percentage of these adjusted S&P index numbers.

[redacted] 3/25/53

$28,726,165
883,882 Shs. Com. Stk.

Subscription Price $32.50 Per Share

Rights 1-For-4 Basis for Common. Also, 1 Share common could be subscribed for each share of $4.25 2nd Pfd (1949 Series).

Offer increased Common Stk. outstanding 25.0%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Dec. 52	Jan. 53	-1.70	-0.61
Jan. 53	Feb.	-1.38	-1.09
Feb.	Mar.	-1.75	-0.86
Mar.	Apr.	-2.85	-2.36
Apr.	Mar. 54	6.59	12.43

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT No. 621

[fol. 3420]

PACIFIC GAS AND ELECTRIC CO.

Price Range of Common Stock By Months
June 1953 to September 1954

Year and Month	Price Per Share High	Low	Close	Index Numbers (June 1953 Equals 100) Monthly Closing Prices For Pacific Gas & Electric Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
June 53	38.500	34.500	36.750	100.00	100.00
July	38.125	36.625	38.000	103.40	100.41
Aug.	38.750	37.375	38.000	103.40	100.71
Sept.	38.875	36.000	36.875	100.34	97.03
Oct.	38.250	36.875	38.125	103.74	96.79
Nov.	40.000	38.125	39.875	108.50	98.97
Dec.	40.000	38.875	39.125	106.46	96.91
Jan. 54	40.625	39.125	40.250	109.52	96.96
Feb.	41.000	40.125	40.625	110.54	97.14
Mar.	41.875	40.500	41.250	112.24	96.45
Apr.	41.875	40.625	41.500	112.93	96.28
May	43.125	41.000	43.000	117.01	97.65
June	44.000	41.750	43.750	119.05	98.81
July	45.625	43.250	45.500	123.81	98.30
Aug.	45.875	44.125	44.625	121.43	98.08
Sept.	45.500	44.000	44.250	120.41	95.94

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to June 1953 base. The deflated index numbers state the Pacific Gas and Electric stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 9/15/53

$65,218,772
1,946,829 Shs. Com. Stk.

Subscription Price $33.50 Per Share

Rights 1-For-7 Basis.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
June 53	July 53	↑ 3.40	↑ 2.98
July	Aug.	No Change	- 0.30
Aug.	Sept.	- 2.96	↑ 0.72
Sept.	Oct.	↑ 3.39	↑ 3.64
Oct.	Sept. 54	↑16.07	↑17.11

GOVERNMENT TRIAL EXHIBIT NO. 622

[fol. 3421]

PENNSYLVANIA POWER & LIGHT CO.

Price Range of Common Stock, By Months, January 1954 to April 1955

Year and Month	Price Per Share			Index Numbers (Jan. 1954 Equals 100) Monthly Closing Prices For Pennsylvania Power & Light Common Stock	
	High	Low	Close	(1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Jan. 54	36.125	35.250	35.875	100.00	100.00
Feb.	41.250	35.625	40.750	113.59	112.76
Mar.	42.500	40.000	42.000	117.07	113.64
Apr.	42.250	40.125	40.750	113.59	109.39
May	41.500	40.375	41.500	115.68	109.05
June	42.000	41.000	41.500	115.68	108.46
July	44.375	41.375	44.375	123.69	110.92
Aug.	45.500	44.000	44.125	123.00	112.22
Sept.	45.000	43.500	45.000	125.44	112.89
Oct.	45.000	41.750	41.875	116.72	109.50
Nov.	44.500	41.750	44.000	122.65	109.34
Dec.	45.875	43.875	45.750	127.53	110.38
Jan. 55	47.500	45.375	47.500	132.40	113.41
Feb.	48.500	46.625	48.500	135.19	112.38
Mar.	48.500	41.750	44.000	122.65	103.48
Apr.	47.250	43.750	46.625	129.97	107.89

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to January 1954 base. The deflated index numbers state the Pennsylvania Power & Light stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 4/2/54

$28,020,451
704,917 Shs. Com. Stk.

Subscription Price $39.75 Per Share

Rights 1-For-7 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Jan. 54	Feb. 54	↑13.59	↑ 0.74
Feb.	Mar.	↑ 3.07	↑ 2.27
Mar.	Apr.	- 2.98	↑ 0.79
Apr.	May	↑ 1.84	↑ 2.16
May	Apr. 55	↑12.35	↑13.55

[fol. 3422]

PHILADELPHIA ELECTRIC CO.

Price Range of Common Stock By Months
March 1954 to June 1955

Year and Month	Price Per Share High	Low	Close	Index Numbers (Mar. 1954 Equals 100) Monthly Closing Prices Per Philadelphia Electric Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Mar. 54	37.500	34.125	36.750	100.00	100.00
Apr.	37.125	36.500	36.625	99.66	98.88
May	39.750	36.875	38.750	105.44	102.40
June	39.000	35.500	36.875	100.34	96.91
July	38.500	36.750	38.250	104.08	96.16
Aug.	38.375	37.125	37.250	101.36	95.27
Sept.	38.375	37.125	38.000	103.40	95.87
Oct.	38.375	36.750	37.125	101.02	97.64
Nov.	38.500	37.125	37.500	102.04	93.73
Dec.	38.875	37.500	38.375	104.42	93.11
Jan. 55	38.750	37.500	38.500	104.76	92.45
Feb.	39.625	37.250	39.625	107.82	92.34
Mar.	40.375	37.625	37.750	102.72	89.29
Apr.	40.000	37.750	39.000	106.12	90.76
May	39.375	38.500	38.625	105.10	90.76
June	40.375	38.250	39.625	107.82	91.54

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to March 1954 base. The deflated index numbers state the Philadelphia Electric stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 6/9/54

$30,835,178
906,917 Shares Com. Stk!

Subscription Price $34.00 Per Share

Rights 1-For-12 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Mar. 54	Apr. 54	-0.34	∕0.79
Apr.	May	∕5.80	∕2.16
May	June	-4.84	∕0.55
June	July	∕3.73	∕4.54
July	June 55	∕3.59	∕8.83

GOVERNMENT TRIAL EXHIBIT No. 624

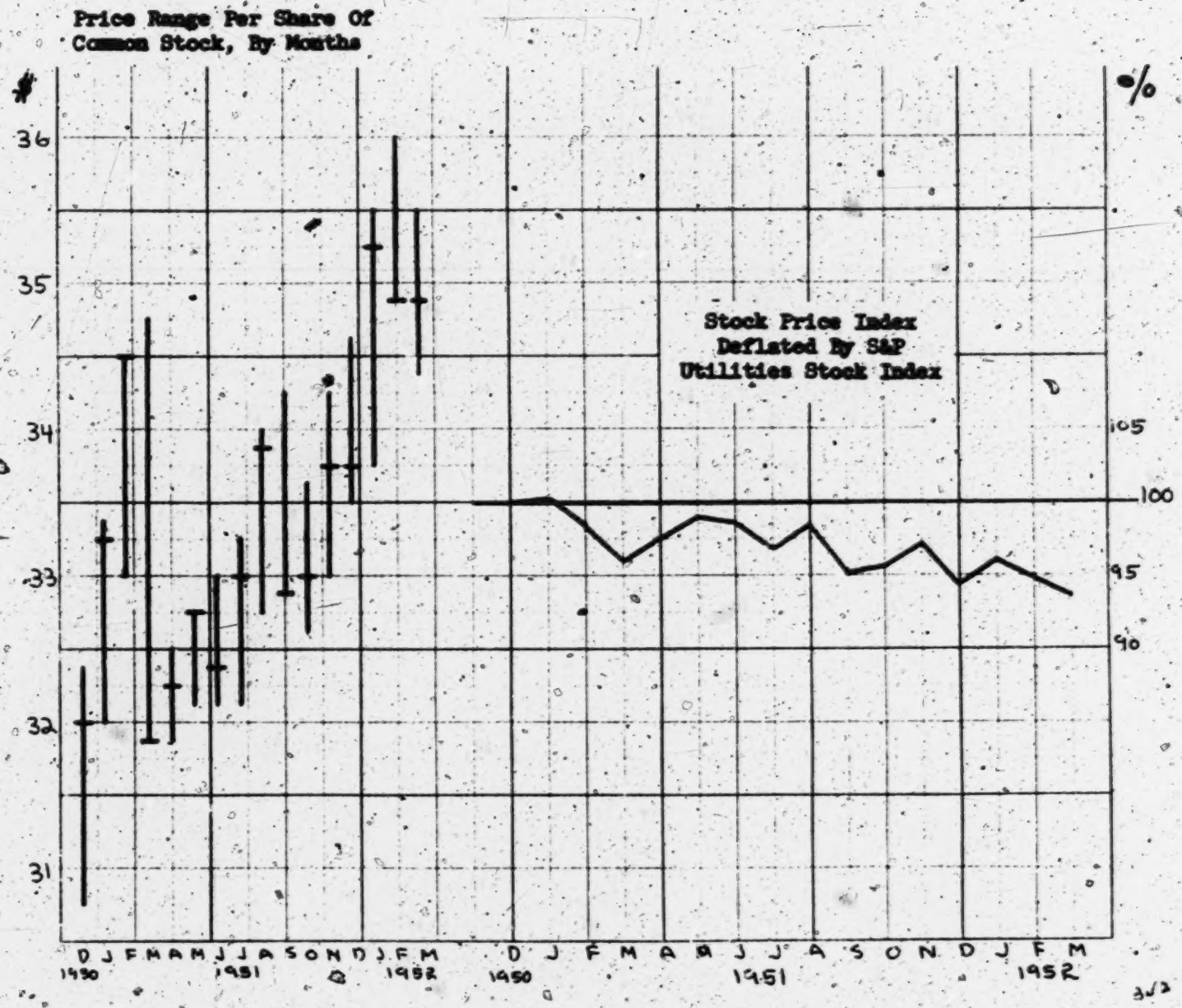
New Issues Offered To The Public

Southern California Edison Co.	4-15-52	$ 27,200,000	17.56	- 2.46	+ 0.13	+ 0.72	+ 1.30	- 2.14	- 1.99	+ 2.19	+ 1.4
Niagara Mohawk Power Corp.	2-17-53	27,500,000	9.51	- 0.45	+ 1.70	+ 1.80	+ 0.61	- 2.66	- 1.09	(None)	- 0.8
Pacific Lighting Corp.	11-16-53	26,400,000	17.39	+ 5.74	+ 0.72	+ 1.94	+ 3.64	+ 3.42	+ 2.29	+ 0.37	+ 0.2
Public Service Electric & Gas Co.	12- 4-56	31,125,000	10.05	- 1.15	+ 0.22	- 3.11	- 0.13	+ 1.20	+ 0.63	+ 2.78	+ 2.8
General Telephone Corp.	12-10-56	31,100,000	6.43	- 8.13	+ 1.23	+ 5.44	+ 2.53	+ 5.48	+ 1.06	+ 1.22	+ 0.1
Virginia Electric & Power Co.	6- 4-57	25,000,000	7.57	+ 6.74	+ 3.61	+ 3.54	+ 1.40	- 8.29	- 4.58	(None)	- 0.0
TOTAL			68.51	+ 0.29	+ 5.15	+10.33	+ 9.35	- 2.99	- 5.80	+ 4.12	+ 3.4
AVERAGE			11.42	+-0.05	+ 0.86	+ 1.72	+ 1.56	- 0.50	- 0.97	+ 0.69	+ 0.5

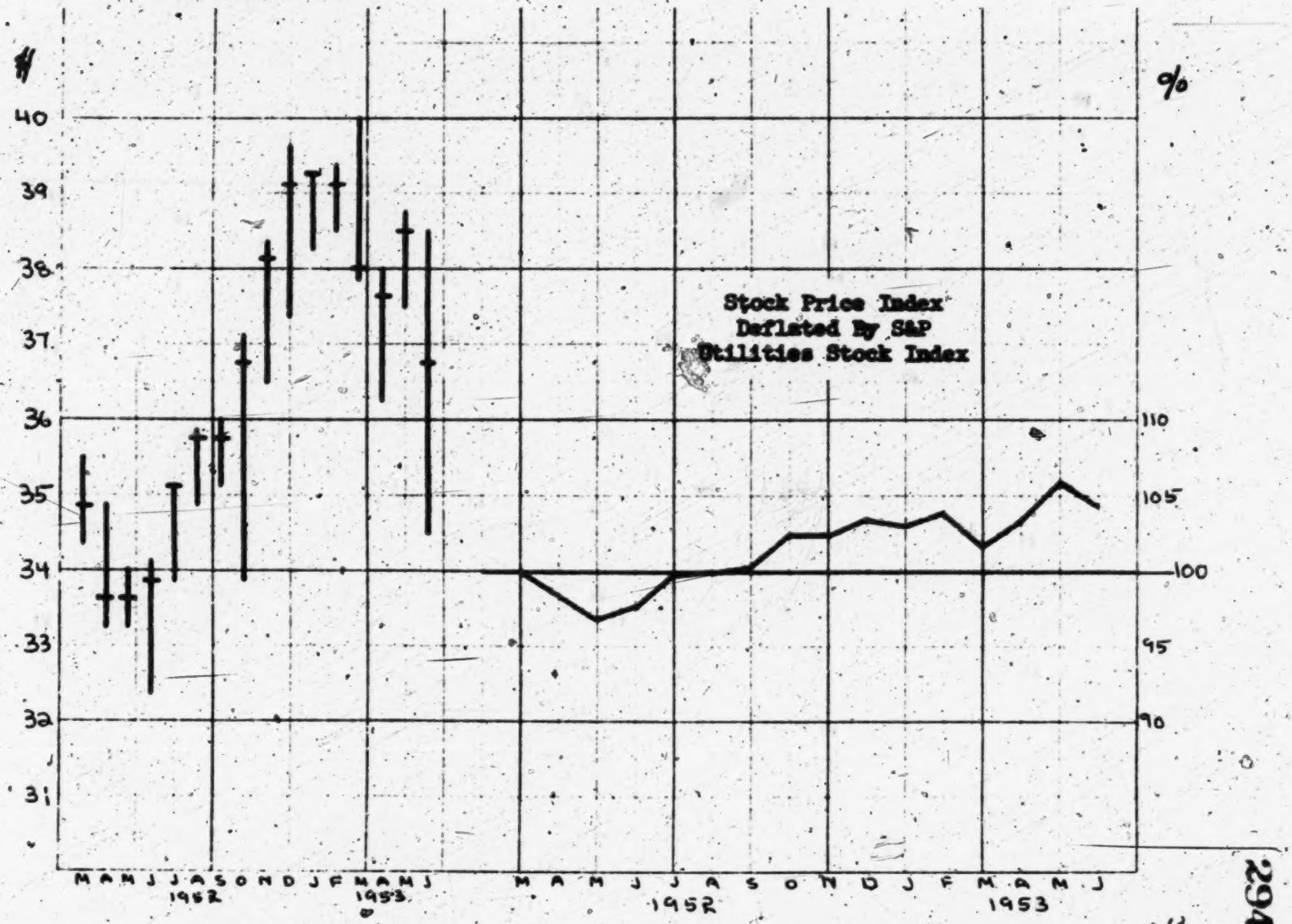
EXPLANATORY NOTES

With reference to figures listed under the general heading of "Percentage Change", details regarding the periods of time involved in the comparisons are as follows:

	From	To
Column (1)	3 Month-Ends Preceding Month-of-Offering	2 Month-Ends Preceding Month-of-Offering
Column (2)	2 Month-Ends Preceding Month-of-Offering	1 Month End Preceding Month-of-Offering
Column (3)	1 Month-End Preceding Month-of-Offering	End of Month-of-Offering
Column (4)	End-of-Month of Offering	1 Month End Following Month-of-Offering
Column (5)	1 Month-End Following Month-of-Offering	1½ Month-Ends Following Month-of-Offering


Price Range Per Share Of Common Stock, By Months
$
36
35
34
33
32
31
%
105
100
95
90
Stock Price Index Deflated By S&P Utilities Stock Index
D J F M A M J J A S O N D J F M
1950
1951
1952
D J F M A M J J A S O N D J F M
1950
1951
1952

Price Range Per Share Of
Common Stock, By Months



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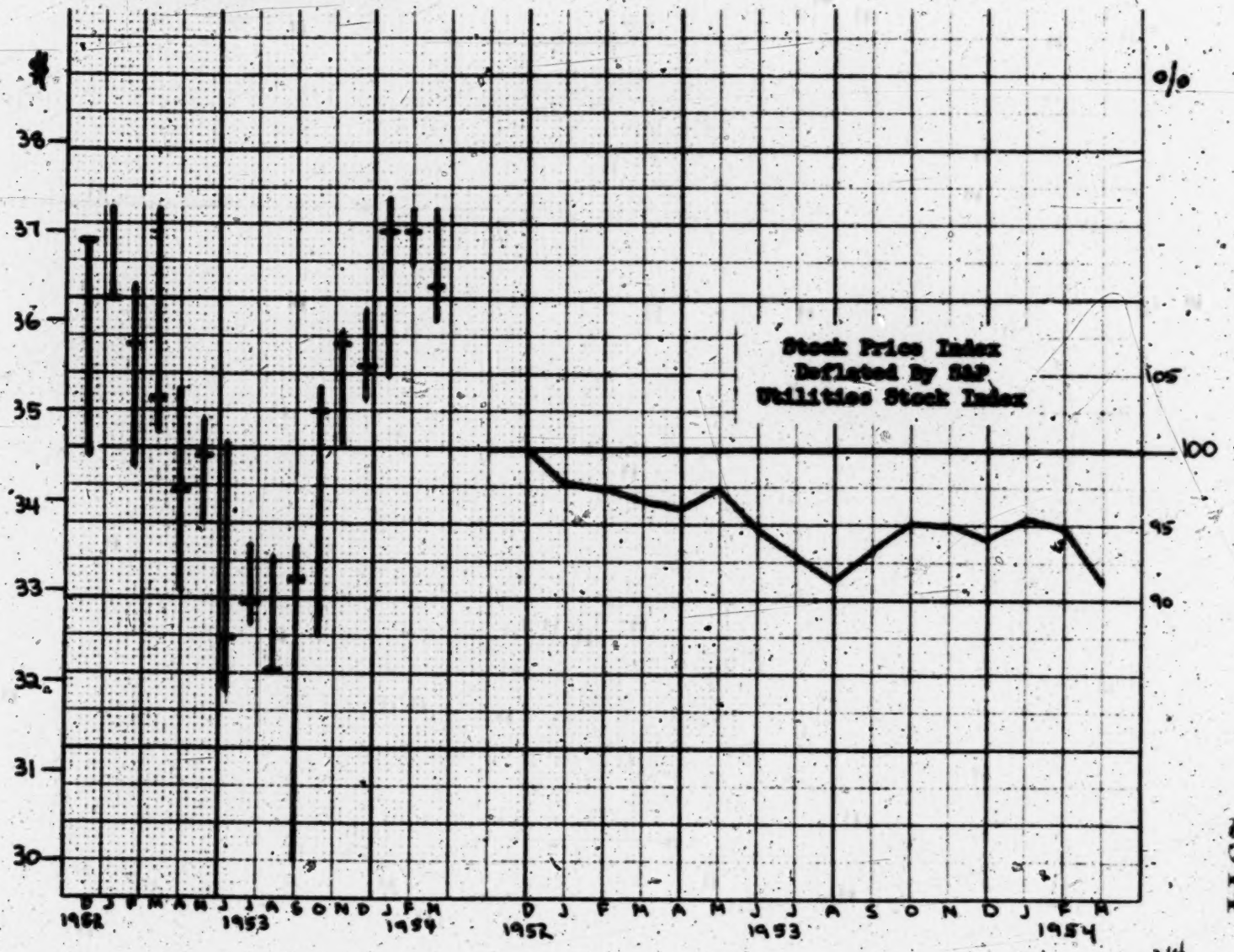
Price Range Per Share Of
Common Stock, By Months



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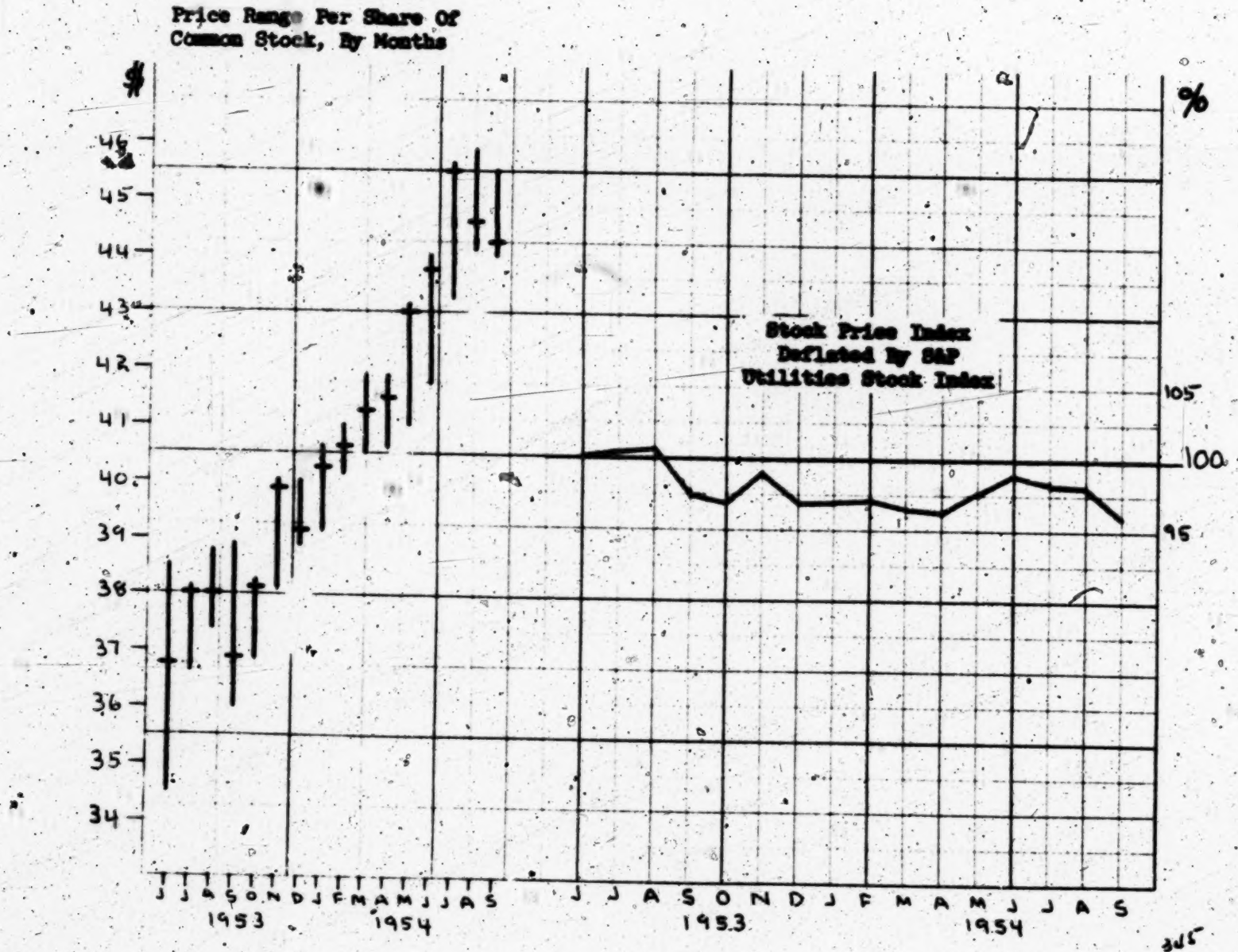
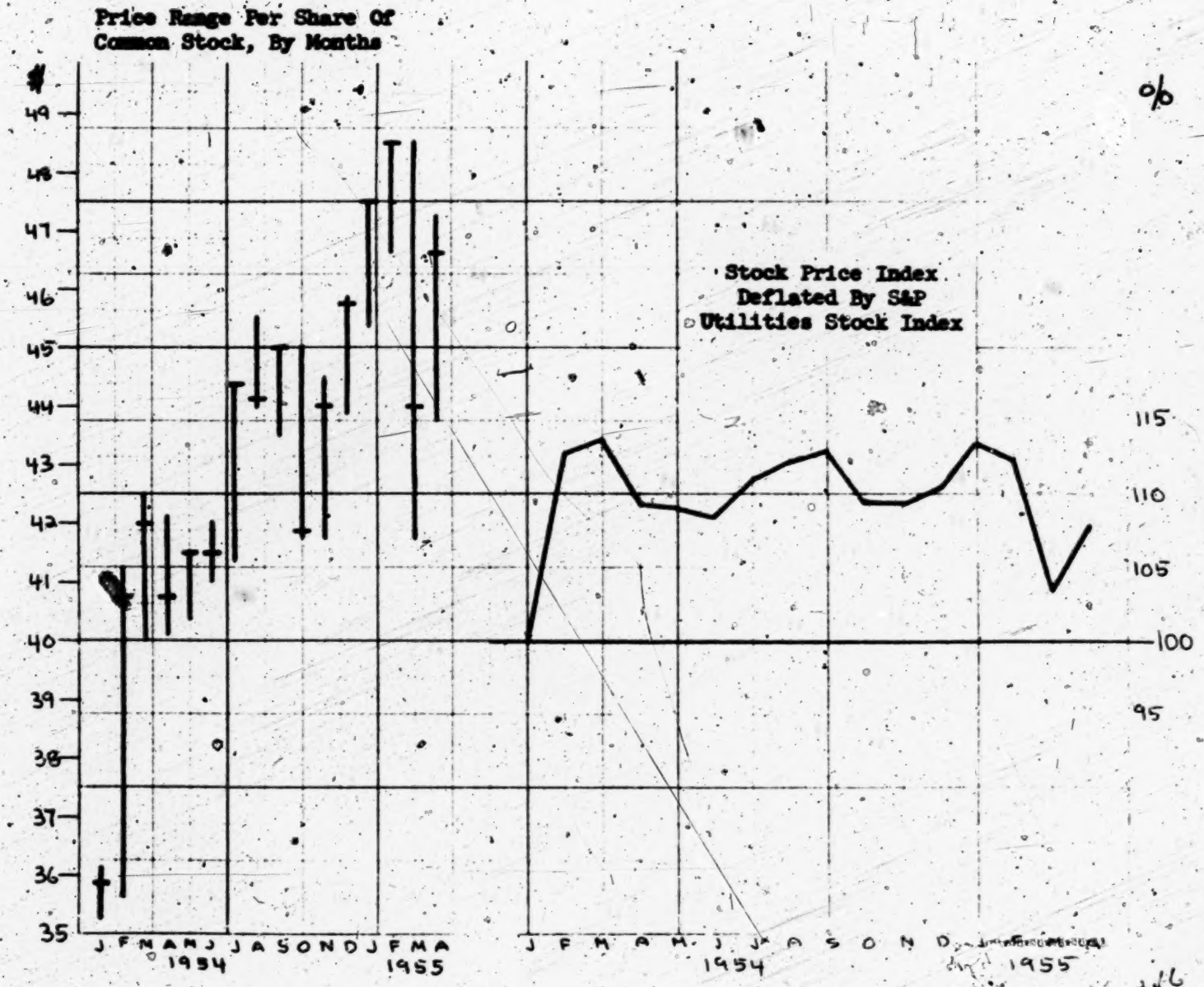
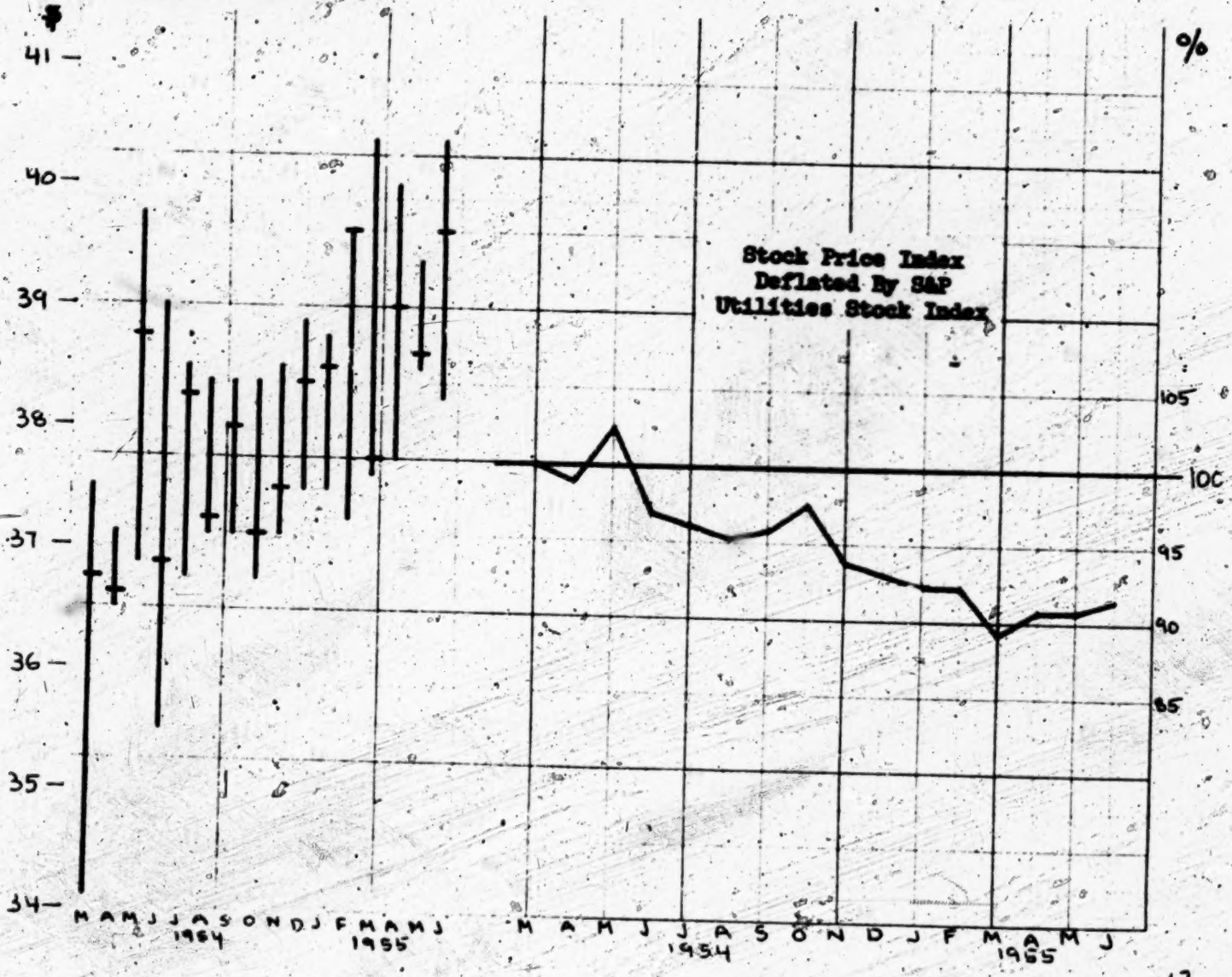

Price Range Per Share Of Common Stock, By Months
$
46
45
44
43
42
41
40
39
38
37
36
35
34
%
105
100
95
Stock Price Index Deflated by S&P Utilities Stock Index
J J A S O N D J F M A M J J A S
1953
1954
J J A S O N D J F M A M J J A S
1953
1954


Price Range Per Share Of Common Stock, By Months
$
49
48
47
46
45
44
43
42
41
40
39
38
37
36
35
J F M A M J J A S O N D J F M A
1954
1955
%
Stock Price Index Deflated By S&P Utilities Stock Index
115
110
105
100
95
J F M A M J J A S O N D J F M A
1954
1955

Price Range Per Share Of Common Stock, By Months



[fol. 3423]

AMERICAN NATURAL GAS CO.

Price Range of Common Stock By Months
May 1955 to August 1956

Year and Month	Price Per Share High	Low	Close	Index Numbers (May 1955 Equals 100) Monthly Closing Prices For American Natural Gas Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
May 55	53.000	50.375	52.625	100.00	100.00
June	54.000	50.750	52.750	100.24	98.55
July	60.000	52.125	60.000	114.01	107.49
Aug.	59.000	52.500	57.000	108.31	101.95
Sept.	60.500	55.250	58.250	110.69	107.72
Oct.	57.750	54.000	57.000	108.31	106.72
Nov.	59.500	56.500	58.625	111.40	107.05
Dec.	59.000	56.000	56.875	108.08	104.97
Jan. 56	58.875	55.875	58.000	110.21	107.15
Feb.	58.875	56.375	58.875	111.88	107.88
Mar.	62.750	58.875	61.375	116.63	108.00
Apr.	66.250	60.750	65.250	123.99	118.67
May	66.750	61.000	62.625	119.00	115.95
June	64.750	62.000	64.750	123.04	117.88
July	65.000	63.250	64.750	123.04	112.42
Aug.	70.000	64.750	67.875	128.98	121.45

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to May 1955 base. The deflated index numbers state the American Natural Gas stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERED 8/9/55

$35,737,516
736,856 Shs. Com. Stk.

Subscription Price $48.50 Per Share

Rights 1-For-5 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
May 55	June 55	↑ 0.24	↑1.72
June	July	↑13.74	↑4.28
July	Aug.	- 5.00	↓0.15
Aug.	Sept.	↑ 2.19	-3.27
Sept.	Aug. 56	↑16.52	↑3.35

GOVERNMENT TRIAL EXHIBIT NO. 62

[fol. 3424]

COMMONWEALTH EDISON CO.

Price Range of Common Stock By Months
August 1955 to November 1956

Year and Month	Price Per Share			Index Numbers (Aug. 1955 Equals 100) Monthly Closing Prices For Commonwealth Edison Common Stock	
	High	Low	Close	(1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Aug. 55	46.250	43.750	46.250	100.00	100.00
Sept.	47.500	44.125	44.750	96.76	100.03
Oct.	45.000	41.250	41.625	90.00	94.20
Nov.	42.250	40.500	42.000	90.81	92.71
Dec.	42.125	40.750	41.250	89.19	92.03
Jan. 56	42.375	41.000	41.875	90.54	93.51
Feb.	42.875	41.250	42.375	91.62	93.33
Mar.	44.750	42.125	42.625	92.16	90.66
Apr.	43.125	40.625	41.250	89.19	90.69
May	41.750	39.875	40.500	87.57	90.64
June	41.750	40.125	40.500	87.57	89.12
July	43.000	40.375	42.875	92.70	89.97
Aug.	43.000	40.875	41.500	89.73	89.76
Sept.	41.875	40.125	40.125	86.76	90.01
Oct.	40.875	39.250	39.875	86.22	89.24
Nov.	40.500	39.750	40.125	86.76	89.93

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to August 1955 base. The deflated index numbers state the Commonwealth Edison stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 11/1/55

$41,636,513
1,110,307 Shs. Com. Stk.

Subscription Price $37.50 Per Share

Rights 1-For-15 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Aug. 55	Sept. 55	-3.24	-3.27
Sept.	Oct.	-6.98	-1.23
Oct.	Nov.	+0.90	+2.53
Nov.	Dec.	-1.79	-1.06
Dec.	Nov. 56	-2.73	-0.44

GOVERNMENT TRIAL EXHIBIT NO. (

[fol. 3425]

SOUTHERN CO.

Price Range of Common Stock By Months
August 1955 to November 1956

Year and Month	Price Per Share High $	Low $	Close $	Index Numbers (Aug. 1955 Equals 100) Monthly Closing Prices For Southern Com. Stk. (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
Aug. 55	20.625	19.875	20.250	100.00	100.00
Sept.	21.000	19.625	20.500	101.23	104.65
Oct.	20.625	18.875	18.875	93.21	97.56
Nov.	19.750	18.625	19.500	96.30	98.32
Dec.	20.000	19.000	20.000	98.77	101.92
Jan. 56	20.750	19.250	20.750	102.47	105.84
Feb.	21.000	20.250	21.000	103.70	105.63
Mar.	23.000	20.875	22.625	111.73	109.92
Apr.	22.875	21.250	22.375	110.49	112.34
May	22.750	20.750	21.125	104.32	107.98
June	21.375	20.750	21.250	104.94	106.80
July	22.375	21.000	22.375	110.49	107.24
Aug.	22.500	21.000	21.250	104.94	104.97
Sept.	21.625	20.500	20.750	102.47	106.31
Oct.	21.250	20.125	20.750	102.47	106.07
Nov.	21.750	20.125	20.375	100.62	104.29

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to August 1955 base. The deflated index numbers state the Southern Company stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 11/1/55

$26,377,802
1,507,303 Shares Com. Stk.

Subscription Price $17.50 Per Share

Rights 1-For-12 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Aug. 55	Sept. 55	+1.23	-3.27
Sept.	Oct.	-7.93	-1.23
Oct.	Nov.	+3.31	+2.53
Nov.	Dec.	+2.56	-1.06
Dec.	Nov. 56	+1.88	-0.44

[fol. 3426]

PACIFIC GAS AND ELECTRIC CO.

Price Range of Common Stock By Months
March 1956 to June 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (Mar. 1956 Equals 100) Monthly Closing Prices For Pacific Gas & Electric Common Stocks (1) Stock Price	Stock Price Deflated By S&P Utilities 1/
Mar. 56	53.750	50.000	53.000	100.00	100.00
Apr.	53.750	51.250	51.875	97.88	101.17
May	52.750	49.625	50.750	95.75	100.75
June	51.250	49.500	50.000	94.34	97.60
July	52.250	49.500	52.000	98.11	96.80
Aug.	52.500	50.125	50.125	94.58	96.17
Sept.	51.375	48.375	48.375	91.27	96.25
Oct.	50.250	47.000	48.625	91.75	96.54
Nov.	50.750	47.625	48.875	92.22	97.16
Dec.	50.375	48.250	49.500	93.40	97.78
Jan. 57	50.125	49.125	49.500	93.40	95.08
Feb.	49.625	48.250	49.250	92.92	95.57
Mar.	50.000	48.375	48.500	91.51	93.77
Apr.	50.000	48.000	48.500	91.51	90.51
May	50.000	48.375	49.625	93.63	91.32
June	51.500	46.625	46.875	88.44	90.40

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to March 1956 base. The deflated index numbers state the Pacific Gas & Electric stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 6/12/56

$36,375,595
812,791 Shs. Com. Stk.

Subscription Price $45.00 Per Share

Rights 1-For-20 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Mar. 56	Apr. 56	-2.12	-3.25
Apr.	May	-2.17	-1.77
May	June	-1.48	/1.71
June	July	/4.00	/4.85
July	June 57	-9.86	-3.47

[fol. 3427]

OHIO EDISON CO.

Price Range of Common Stock By Months
October 1956 to January 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Oct. 1956 Equals 100) Monthly Closing Prices For Ohio Edison Co. Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Oct. 56	50.750	49.250	50.250	100.00	100.00
Nov.	52.500	50.125	51.375	102.24	102.37
Dec.	51.250	49.000	50.000	99.50	99.00
Jan. 57	51.625	49.500	50.375	100.25	97.00
Feb.	49.875	48.125	49.250	98.01	95.80
Mar.	51.125	49.125	50.625	100.75	98.11
Apr.	52.625	50.250	52.000	103.48	97.26
May	52.875	51.375	51.500	102.49	95.00
June	52.875	47.375	48.250	96.02	93.28
July	50.750	48.250	49.500	98.51	95.75
Aug.	49.875	47.000	47.375	94.28	94.82
Sept.	47.875	46.625	46.750	93.03	95.29
Oct.	48.250	42.750	45.250	90.05	93.33
Nov.	49.250	44.250	49.000	97.51	97.33
Dec.	51.250	48.500	51.125	101.74	100.03
Jan. 58	53.500	50.875	53.125	105.72	98.43

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to October 1956 base. The deflated index numbers state the Ohio Edison stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 1/31/57

$26,998,505
580,613 Shs. Com. Stock

Subscription Price $46.50 Per Share

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Oct. 56	Nov. 56	+2.24	-0.13
Nov.	Dec.	-2.68	+0.63
Dec.	Jan. 57	+0.75	+2.83
Jan. 57	Feb.	-2.23	-1.01
Feb.	Jan. 58	+7.87	+4.98

Price Range Per Share Of

[fol. 3428]

SOUTHERN COMPANY

Price Range of Common Stock By Months
December 1956 to March 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1956 Equals 100) Monthly Closing Prices For Southern Common Stock (1) Stock Price	Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Dec. 56	20.500	20.000	20.500	100.00	100.00
Jan. 57	22.750	20.250	22.500	109.76	108.74
Feb.	22.875	21.500	21.750	106.10	104.23
Mar.	22.375	21.125	21.625	105.49	103.25
Apr.	23.000	21.375	23.000	112.20	105.99
May	24.750	22.750	24.500	119.51	111.34
June	24.875	23.375	24.000	117.07	114.30
July	25.250	23.875	24.750	120.73	117.95
Aug.	25.000	23.125	23.250	113.41	114.64
Sept.	23.375	22.000	22.875	111.59	114.89
Oct.	23.500	20.250	22.750	110.98	115.60
Nov.	23.750	21.750	23.750	115.85	116.21
Dec.	25.750	23.750	25.125	122.56	121.11
Jan. 58	26.875	24.750	26.125	127.44	119.26
Feb.	27.125	26.125	26.875	131.10	121.50
Mar.	29.625	26.750	29.500	143.90	131.26

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to December 1956 base. The deflated index numbers state the Southern Company stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 3/13/57

$30,146,080
1,507,304 Shs. Com. Stk.

Subscription Price $20.00 Per Share

Rights 1-For-13 Basis.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Dec. 56	Jan. 57	+9.76	+2.83
Jan. 57	Feb.	-3.33	-1.01
Feb.	Mar.	-0.58	+0.37
Mar.	Apr.	+6.36	+3.61
Apr.	Mar. 58	+28.26	+3.57

GOVERNMENT TRIAL EXHIBIT NO.

[fol. 3429]

HOUSTON LIGHTING & POWER CO.

Price Range of Common Stock By Months
December 1956 to March 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1956 Equals 100) Monthly Closing Prices For Houston Lighting & Power Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Dec. 56	51.500	48.625	49.750	100.00	100.00
Jan. 57	54.500	49.875	52.000	104.52	101.64
Feb.	52.250	50.000	50.500	101.51	99.72
Mar.	51.125	48.500	50.000	100.50	98.37
Apr.	55.875	49.750	55.500	111.56	105.38
May	59.875	55.250	58.750	118.09	110.01
June	59.750	53.500	56.000	112.56	109.90
July	60.875	56.125	56.500	113.57	110.95
Aug.	57.000	53.000	54.875	110.30	111.49
Sept.	55.750	51.625	51.625	103.77	106.84
Oct.	53.000	46.500	53.000	106.53	110.97
Nov.	55.500	50.500	55.500	111.56	111.91
Dec.	56.250	54.250	54.500	109.55	108.25
Jan. 58	57.000	54.000	56.500	113.57	106.28
Feb.	57.250	54.000	54.750	110.05	101.99
Mar.	56.250	54.000	56.000	112.56	102.67

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to December 1956 base. The deflated index numbers state the Houston Lighting & Power stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 3/25/57

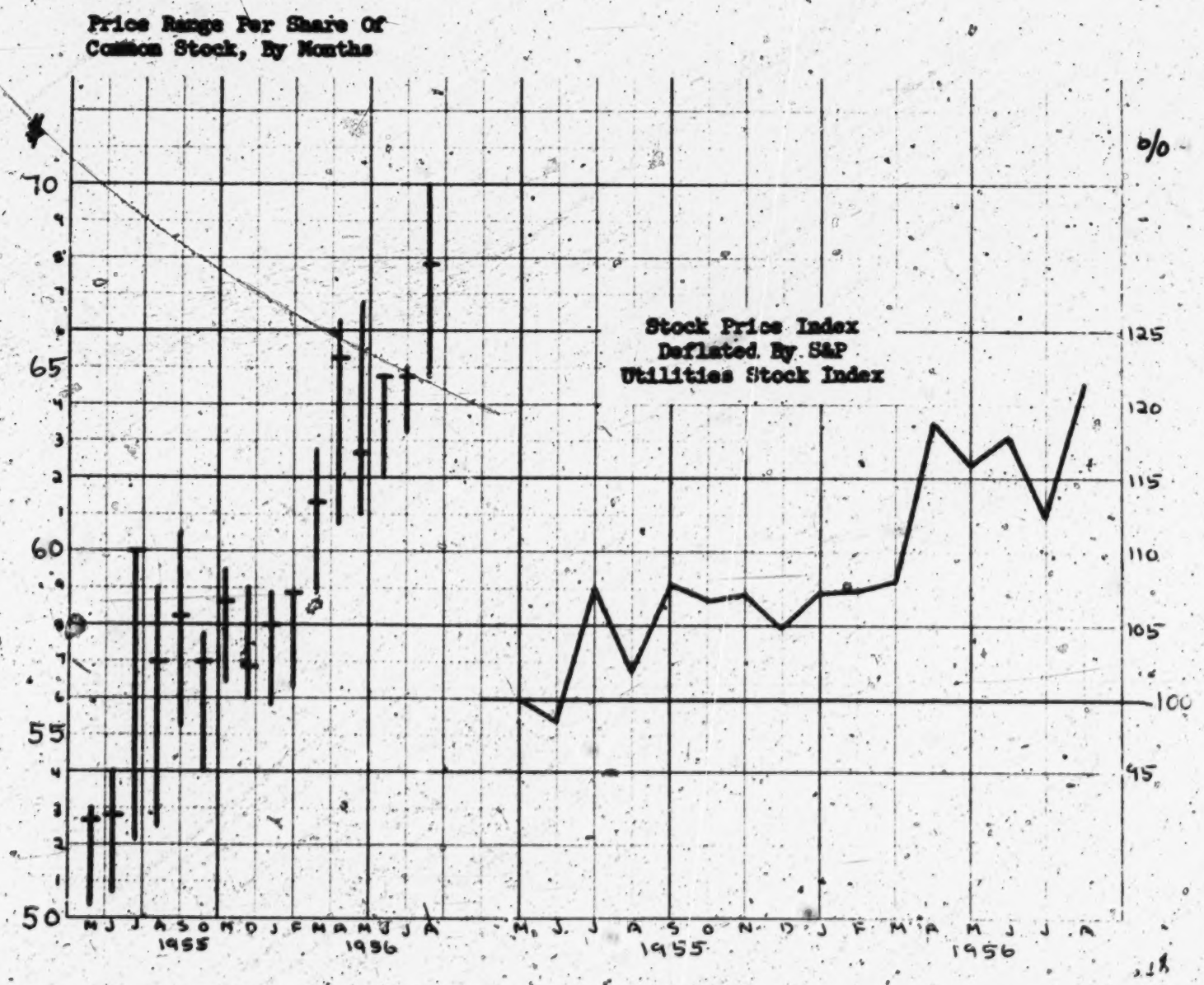
$26,327,180
612,260 Shs. Com. Stk.

Subscription Price $43.00 Per Share

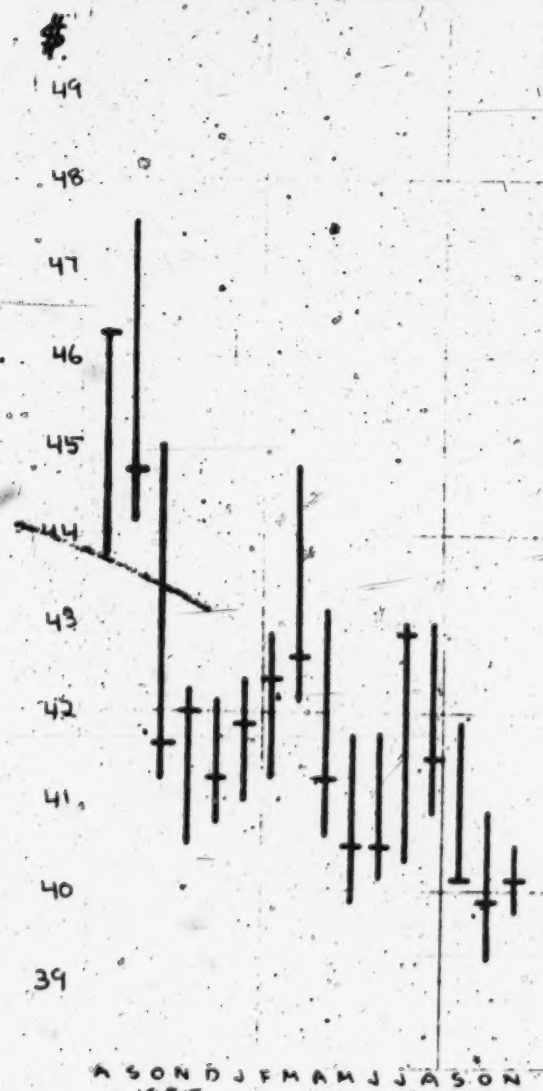
Rights 1-For-10 Basis

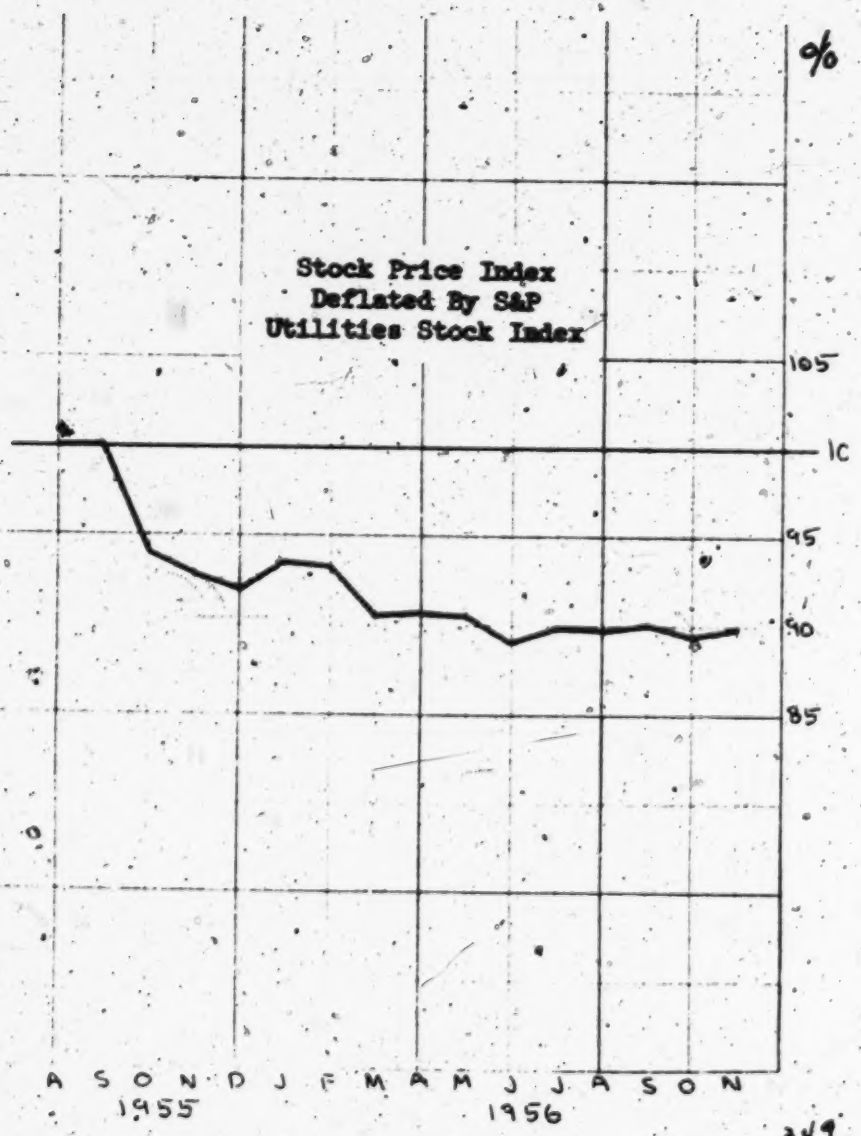
From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Dec. 56	Jan. 57	+4.52	+2.83
Jan. 57	Feb.	-2.89	-1.01
Feb.	Mar.	-0.99	+0.37
Mar.	Apr.	+11.00	+3.61
Apr.	Mar. 58	+0.90	+3.57

GOVERNMENT TRIAL EXHIBIT No. 1

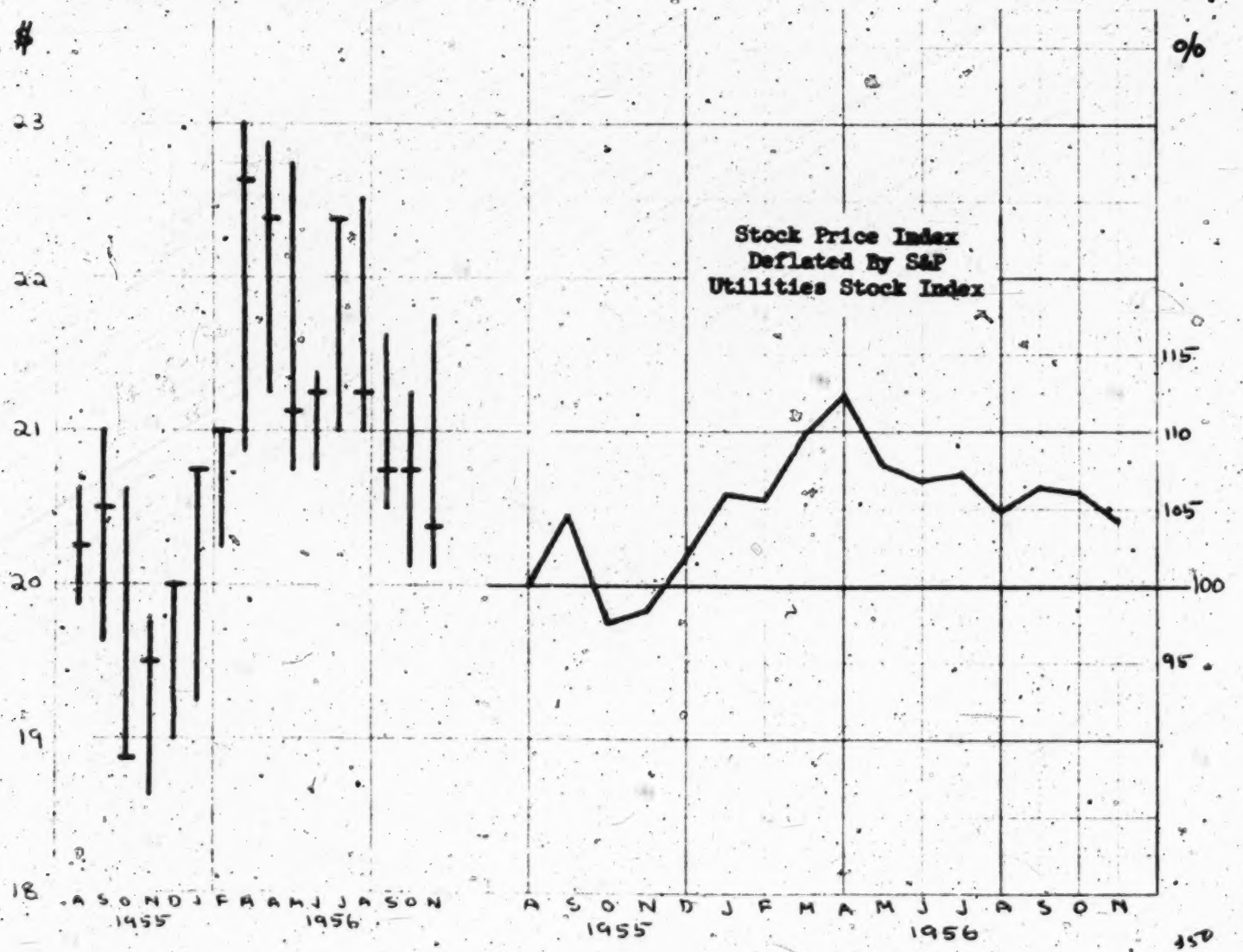

Price Range Per Share Of
Common Stock, By Months
Stock Price Index
Deflated By S&P
Utilities Stock Index
$
70
65
60
55
50
%
125
120
115
110
105
100
95
M J J A S O N D J F M A M J J A
1955
1956
M J J A S O N D J F M A M J J A
1955
1956

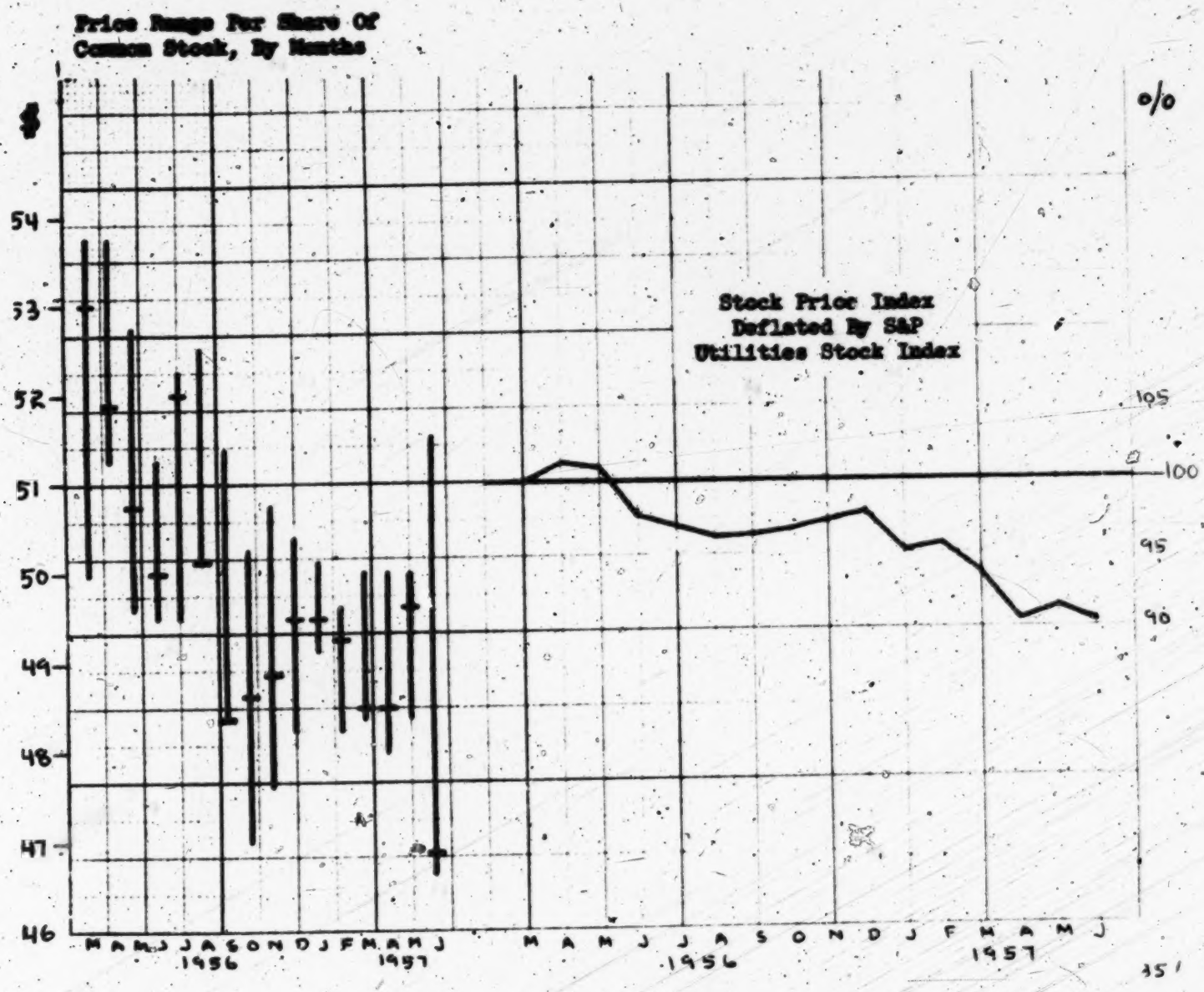
Price Range Per Share Of Common Stock, By Months



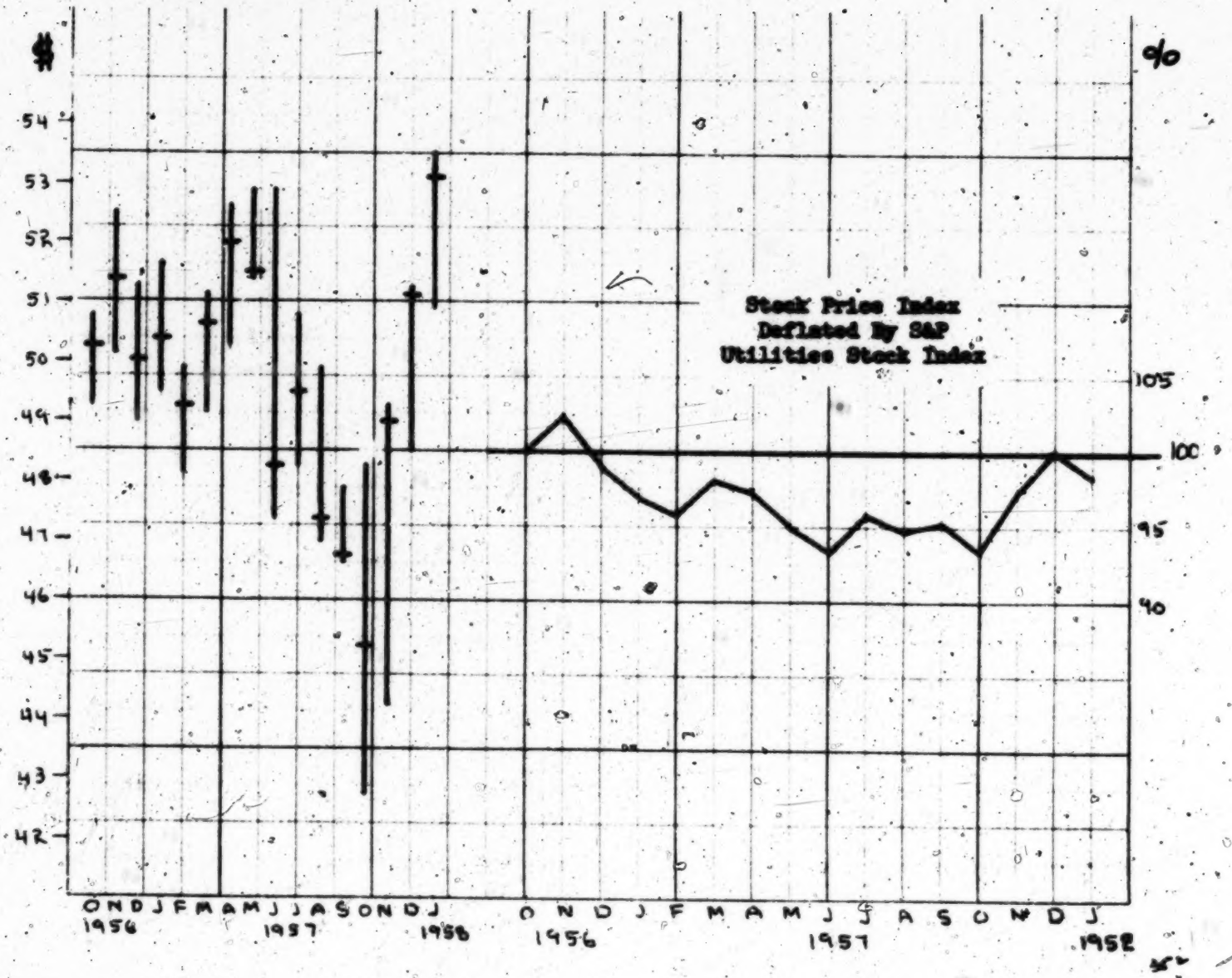


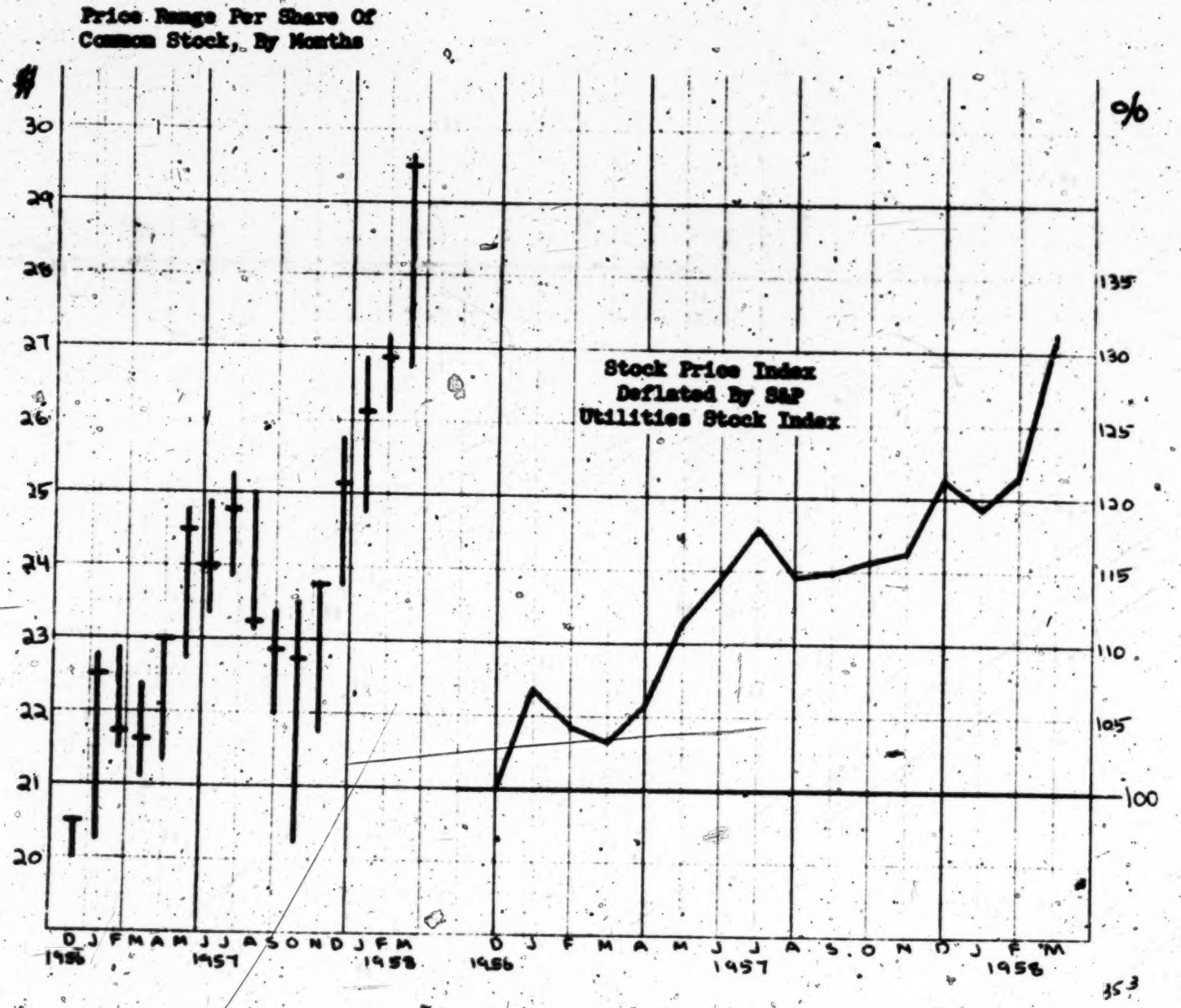
Price Range Per Share Of
Common Stock, By Months

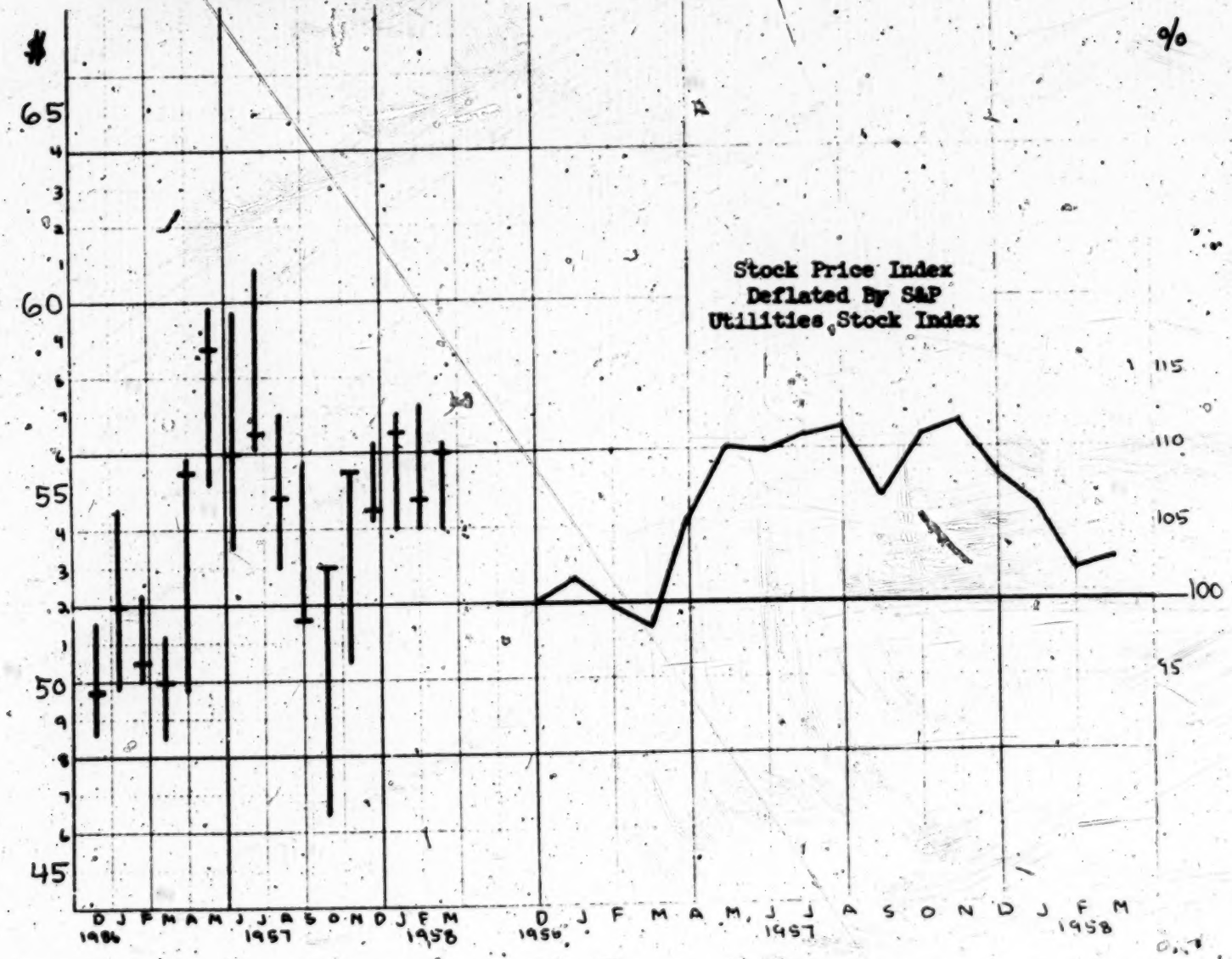



Price Range Per Share Of Common Stock, By Months
$
54
53
52
51
50
49
48
47
46
M A M J J A S O N D J F M A M J
1956
1957
Stock Price Index Deflated By S&P Utilities Stock Index
o/o
105
100
95
90
M A M J J A S O N D J F M A M J
1956
1957

Price Range Per Share Of Common Stock, By Months




Price Range Per Share Of
Common Stock, By Months
$
30
29
28
27
26
25
24
23
22
21
20
%
135
130
125
120
115
110
105
100
Stock Price Index
Deflated By S&P
Utilities Stock Index
D J F M A M J J A S O N D J F M
1956
1957
1958
D J F M A M J J A S O N D J F M
1956
1957
1958


Price Range Per Share Of
Common Stock, By Months
$
65
60
55
50
45
Stock Price Index
Deflated By S&P
Utilities Stock Index
%
115
110
105
100
95
D J F M A M J J A S O N D J F M
1956
1957
1958
D J F M A M J J A S O N D J F M
1956
1957
1958

Distribution of common stockholdings in

The Great Atlantic & Pacific Tea Company, Inc.

(1) As of February 25, 1959

(A) After Sale To Underwriters On March 24, 1959 of 1,300,000 Shares of Common Stock By Huntington Hartford, Maria H. Robertson and Certain Trusts Created By Them.

Description of Stockholders	Number Shares Held	% of Total
A. Holdings of Record February 25, 1959		
John A Hartford Foundation, Inc.	7,352,074	33.98
Descendants of George Huntington Hartford	10,097,041	46.67
Other Stockholders	4,186,791	19.35
Total	21,635,906 *	100.00
B. Upon Sale of 1,300,000 shares to Underwriters		
John A. Hartford Foundation, Inc.	7,352,074	33.98
Descendants of George Huntington Hartford	8,297,041	38.35
Others	5,986,791	27.67
Total	21,635,906 *	100.00

* Statement of shares outstanding excludes 3,300 shares owned by a subsidiary company.

|| This figure has been computed by deducting the aggregate of the offering (1,300,000 shares or 5.32%) stock outstanding) from shareholdings of record on February 25, 1959 by descendants of George Huntington Hartford. See page 11 of Prospectus.

[fol. 3474] GOVERNMENT TRIAL EXHIBIT NO. 685

Dividend Payments by Standard Oil Co. (Indiana)
1948–1958

(1) In Cash
(2) In Common Stock of Standard Oil Co. (New Jersey)

Years Ended Dec 31	Annual Dividend Payments Per Share of Common Stock of Standard Oil Co. (Indiana) (1) Cash	(2) Market Value of Dividends Paid In Common Stock of Standard Oil Co. (New Jersey)[1]	(3) Total of Columns (1) and (2)	(4) Per cent of Total Annual Dividend Represented by Market Value of Standard Oil Co. (New Jersey) Common Stock
Payments on Old Common Shares of Standard Oil Co. (Indiana) (i.e. Prior to 100% Stock Dividend Payable December 1, 1954)				
1948	$2.125	$ .753	$2.878	26.16%
1949	2.00	.687	2.687	25.57%
1950	2.00	1.135	3.135	36.20%
1951	2.25	1.704	3.954	43.10%
1952	2.50	1.519	4.019	37.80%
1953	2.50	1.364	3.864	35.30%
1954	2.50	1.665	4.165	39.98%
Payments on Present Common Shares of Standard Oil Co. (Indiana)				
1955	$1.40	$1.003	$2.403	41.74%
1956	1.40	.907	2.307	39.32%
1957	1.49	.710	2.110	33.65%
1958	1.40	.286	1.686	16.96%

[1] With reference to the years 1948 through 1957, the dollar amounts reported for dividends, including dividends paid in Standard Oil Co. (New Jersey) common stock, are from Moody's Industrial Manual, 1958 Edition. These amounts reflect cash plus the market value of the stock at the time of distribution. With respect to the year 1958, the amounts of the respective dividends in cash and stock are those reported in Standard & Poor's 1958 Dividend Reeprd. The value assigned to the stock is based on the closing price for Standard Oil Co. (New Jersey) common shares on December 19, 1958, the date the dividend was payable.

Cash payments per common share of Standard Oil Co. (Indiana) made in lieu of fractional shares of Standard Oil Co. (New Jersey) were as follows for the years and fractions indicated. These amounts are based on the average of the high and low stock prices as of record date:

1948	1/100 share	$ .80	1954	1/60 share	$1.56
1949	1/100 share	.707	1955	1/150	.991
1950	1/75 share	1.14	1956	1/65	.86
1951	1/40 share	1.725	1957	1/70	.69
1952	1/50 share	1.5925	1958	1/200	.30
1953	1/50 share	1.46875			

[Source: Moody's Industrials]

GOVERNMENT TRIAL EXHIBIT No. 685—Continued

[fol. 3475]

If adjustment is made for stock splits (Standard of Indiana, 2-for-1 on December 1, 1954; Standard of Jersey, 2-for-1 on June 12, 1951 and 3-for-1 on February 10, 1956) the dividend rate in terms of present common stock of each company is as follows:

Payment Date	Rate Per Indiana Share
9-10-48	.03 share of Jersey
12-12-49	.03 share of Jersey
12-11-50	.04 share of Jersey
12-10-51	.0375 share of Jersey
12-10-52	.03 share of Jersey
12-10-53	.03 share of Jersey
9-30-54	.025 share of Jersey
12-19-55	.02 share of Jersey
12-20-56	.01538 share of Jersey
12-20-57	.01428 share of Jersey
12-19-58	.005 share of Jersey

[fol. 3476] GOVERNMENT TRIAL EXHIBIT No. 691

General Motors Fiftieth Annual Report

Year Ended December 31, 1958

[fol. 3477] General Motors Corporation and Consolidated Subsidiaries

Statement of Consolidated Income for the years ended December 31, 1958 and 1957

	Year 1958	Year 1957
Net Sales	$9,521,965,629	$10,989,813,178
Equity in earnings of subsidiary companies not consolidated (dividends and interest received amounted to $50,245,325 in 1958 and $23,915,901 in 1957)	61,182,644	51,272,098
Other income less sundry income deductions	31,279,527	43,904,811
Total	9,614,427,800	11,084,990,087
Less:		
Cost of sales and other operating charges, exclusive of items listed below	7,475,828,577	8,389,241,798
Selling, general, and administrtiave expenses	542,446,578	563,212,594
Interest and discount on 3¼% debentures	8,531,155	8,666,014
Depreciation and obsolescence of real estate, plants, and equipment	420,203,010	414,914,604
Provision for Bonus Plan and Stock Option Plan	51,990,404	80,043,875
Balance of unawarded bonus reserve restored to income	—	19,801,413
Provision for United States and foreign income taxes	481,800,000	805,120,153
Total	8,980,799,724	10,241,397,652
Net Income for the year	633,628,076	843,592,435
Dividends on preferred stock	12,928,298	12,928,300
Amount Earned on Common Stock	$ 620,699,778	$ 830,664,135
Average number of shares of common stock outstanding during the year	279,462,675	277,732,830
Amount Earned per Share of Common Stock	$2.22	$2.99

Reference should be made to notes on pages 3009 through 3015.

GOVERNMENT TRIAL EXHIBIT No. 691—Continued

[Vol. 3478] General Motors Corporation and Condolidated Subsidiaries

Statement of Consolidated net income Retained for use in the Business for the years ended December 31, 1958 and 1957

	Year 1958	Year 1957
Net income Retained for use in the Business (earned surplus) at beginning of the year	$3,701,791,427	$3,426,581,104
Net Income for the year	633,628,076	843,592,435
Total	4,335,419,503	4,270,173,539
Less Cash Dividends:		
Preferred stock—$5.00 series	9,178,220	9,178,220
Preferred stock—$3.75 series	3,750,078	3,750,080
Total preferred dividends	22,928,298	12,928,300
Common stock:		
Mar. 10 ($0.50 per share)	139,478,936	138,737,294
June 10 ($0.50 per share)	139,715,557	138,882,594
Sept. 10 ($0.50 per share)	139,842,789	138,903,868
Dec. 10 ($0.50 per share)	139,903,518	138,930,056
Total common dividends	558,940,800	555,453,812
Total Cash Dividends	571,869,098	568,382,112
Net Income Retained for use in the Business (earned surplus) at end of the year	$3,763,550,405	$3,701,791,427

Statement of Consolidated Capital Surplus for the years ended December 31, 1958 and 1957

	Year 1958	Year 1957
Capital Surplus at beginning of the year	$ 451,436,795	$ 405,076,147
Paid-In Capital in excess of par value of newly issued common stock of $1⅔ par value sold to trustees of General Motors Savings-Stock Purchase Program for salaried employees (1,271,902 shares in 1958 and 1,167,973 shares in 1957)	47,853,092	46,336,026
Increase in carrying value of treasury common stock revalued in accordance with provisions of the Bonus Plan (6,774 shares in 1957)	—	24,622
Capital Surplus at end of the year	$ 499,289,887	$ 451,436,795

Reference should be made to notes on pages 3009 through 3015.

GOVERNMENT TRIAL EXHIBIT No. 691—Continued

[fol. 3479] General Motors Corporation and Consolidated Subsidiaries

Consolidated Balance December 31, 1958 and 1957

Assets

	Dec. 31, 1958	Dec. 31, 1957
Current Assets:		
Cash	$ 383,267,915	$ 385,320,390
United States Government securities—short—at cost	739,997,084	348,103,409
Accounts and notes receivable (less allowance for doubtful accounts: 1958—$2,359,632; 1957—$1,819,976)	585,455,128	553,392,268
Inventories	1,529,512,998	1,730,785,080
Total Current Assets	3,238,233,125	3,017,601,147
Investments and Miscellaneous Assets (see page 32):		
Investments in subsidiary companies not consolidated	381,903,481	369,361,338
Other investments	17,609,732	17,643,443
Miscellaneous assets	95,025,215	91,722,019
Total Investments and Miscellaneous Assets	494,538,428	478,726,800
Common Stock in Treasury—Available purposes of the Bonus Plan and Stock Option Plan (1958—1,730,635 shares; 1957—2,177,570 shares)	72,916,570	87,172,671
Real Estate, Plants, and Equipment	5,954,031,842	5,765,331,004
Less accumulated depreciation and obsolescence	2,990,931,807	2,647,060,244
Net Real Estate, Plants, and Equipment	2,963,100,035	3,118,270,760
Prepaid Expenses and Deferred Charges	58,623,756	60,574,967
Goodwill, Patents, etc	63,442,466	63,442,466
Total Assets	$6,890,854,380	$6,825,788,811

Reference should be made to notes on pages 3009 through 3015.

GOVERNMENT TRIAL EXHIBIT No. 691—Continued

[fol. 3480] Liabilities, Reserves, and Capital

	Dec. 31, 1958	Dec. 31, 1957
Current Liabilities:		
United States and foreign income taxes	$ 475,250,815	$ 740,762,534
Less United States and foreign government securities	403,834,235	672,219,450
Net liability	71,416,580	68,543,084
Accounts payable	517,895,451	526,549,414
Taxes, payrolls, and sundry accrued items	546,983,883	557,913,496
Dividends payable on preferred stocks	3,232,074	3,232,075
Total Current Liabilities	1,139,527,988	1,156,238,069
Other Liabilities	205,587,443	225,246,033
3¼% Debentures Due 1979 (less reacquired debentures in treasury)	273,918,000	286,196,000
Notes Payable of a Foreign Subsidiary, Due 1969 and 1977	56,000,000	56,000,000
Reserves:		
Employes benefit plans	26,672,390	27,209,633
Contingent credits under Stock Option Plan	8,500,000	5,100,000
General reserve applicable to foreign operations	141,667,396	141,667,396
Miscellaneous	19,749,209	20,631,633
Total Reserves	196,588,995	194,608,662
Minority Interest—Preference stocks of two foreign subsidiaries	2,392,265	2,392,265

GOVERNMENT TRIAL EXHIBIT No. 691—Continued

Capital:		
Capital stock:		
Preferred, without par value (authorized, 6,000,000 shares):		
$5.00 series, stated value $100 per share (issued, 1,875,366 shares; in treasury, 39,722 shares; outstanding, 1,835,644 shares)	183,564,400	183,564,400
$3.75 series, stated value $100 per share (issued and outstanding, 1,000,000 shares)	100,000,000	100,000,000
Common, $1⅔ par value (authorized, 500,000,000 shares; issued, 282,260,998 shares at December 31, 1958 and 280,989,096 shares at December 31 1957)	470,434,997	468,315,160
Total capital stock	753,999,397	751,879,560
Capital surplus	499,289,887	451,436,795
Net income retained for use in the business (earned surplus)	3,763,550,405	3,701,791,427
Total Capital	5,016,839,689	4,905,107,782
Total Liabilities, Reserves, and Capital	$6,890,854,380	$6,825,788,811

GOVERNMENT TRIAL EXHIBIT No. 691—Continued

[fol. 3481] General Motors Corporation and Consolidated Subsidiaries

Investments and Miscellaneous Assets December 31, 1958 and 1957

	Dec. 31, 1958	Dec. 31, 1957
Investments in Subsidiary Companies Not Consolidated:		
General Motors Acceptance Corporation (see consolidated balance sheet on page 36)	$295,155,409	$273,831,963
General Exchange Insurance Corpoation	32,466,438	43,045,220
Yellow Manufacturing Acceptance Corporation	11,782,784	11,218,023
Dealerships operating under the Motors Holding Plan	41,236,616	40,303,129
Other	1,262,234	963,003
Total Investments in Subsidiary Companies not Consolidated	381,903,481	369,361,338
Other Investments:		
Ethyl Corporation	17,519,633	17,519,633
Other	90,099	123,810
Total Other Investments	17,609,732	17,643,443
Miscellaneous Assets:		
Loans and advances to and preferred stock of steel suppliers	67,899,301	73,008,621
Cash in certain foreign countries in excess of operating needs	190,400	849,500
Other	26,935,514	17,863,898
Total Miscellaneous Assets	95,025,215	91,722,019
Total Investments and Miscellaneous Assets	$494,538,428	$478,726,800

Notes: Investments in subsidiary companies not consolidated (except for two minor subsidiaries) are carried at cost adjusted to include the Corporation's proportion of undistributed profits since acquisition.

The investment in General Motors Acceptance Corporation at December 31, 1958 was represented by preferred and common stocks of that corporation totaling $150,000,000 and earned surplus of $145,155,409.

Notes to Financial Statesments

Principles of Consolidation:

The consolidated financial statements include all subsidiary companies which are engaged in manufacturing or wholesale marketing operations. Subsidiary companies which are not included in the Corporation's consolidated statements are shown in the table above. The voting stocks of all subsidiary companies are wholly-owned.

Capital:

Net income retained for use in the business (earned surplus) represents consolidated net income of General Motors Corporation since inception less dividends paid shareholders and transfers to capital stock accounts. It includes $181,382,264 at December 31, 1958 and $170,558,233 at December 31, 1957 representing undistributed profits of subsidiary companies not consolidated.

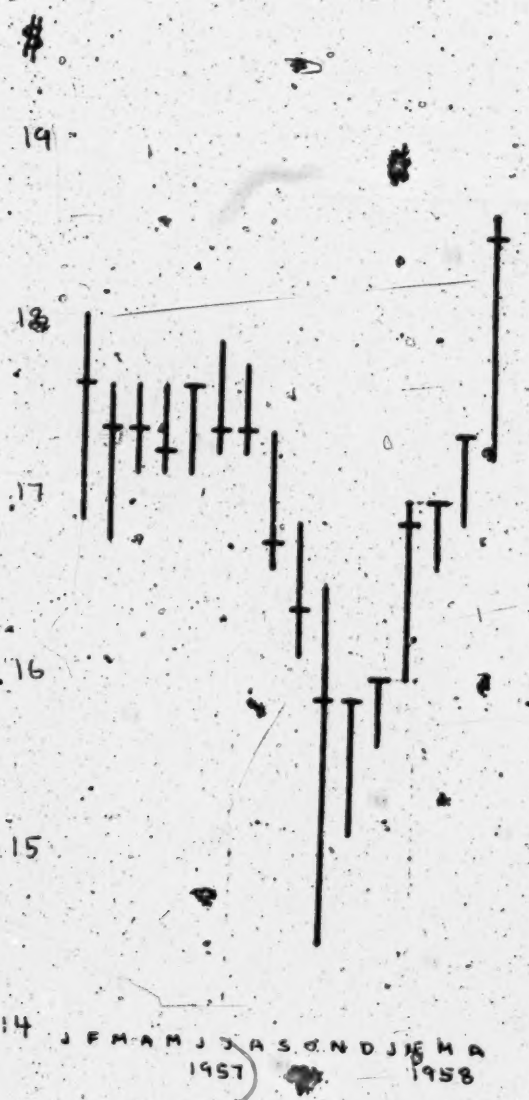
Capital surplus at December 31, 1958 represents principally paid-in surplus arising from the sale of newly issued common stock during the four years ended that date.

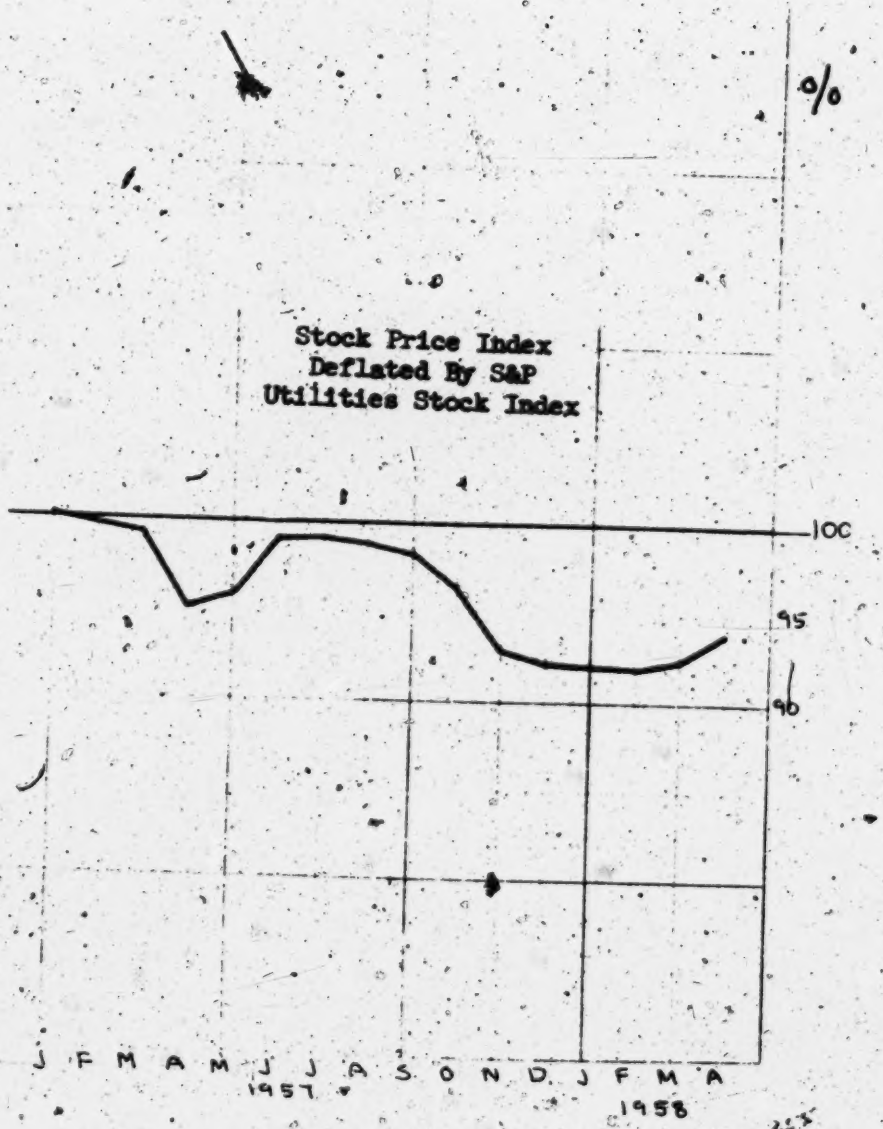
3¼% Debentures Due 1979:

Under the provisions of the trust indenture for the 3¼% Debentures due 1979, the Corporation is required in each year beginning with the year 1958 to pay to the sinking fund agent $10,000,000 in cash for the redemption of outstanding debentures on the next succeeding January 1; or in lieu of all or any part of such payments, the Corporation may deliver to the sinking fund agent reacquired debentures at the lower of the cost of such debentures to the Corporation or the applicable sinking fund redemption price. Sinking fund redemption prices decrease from 100.5% of the principal amount on January 1, 1959 to the principal amount on and after January 1, 1974.

During 1958, debentures in the principal amount of $10,810,000, reacquired at a cost of $10,800,000, were delivered to the sinking fund agent in satisfaction of the sinking fund payment due in that year. At December 31, 1958, the Corporation held in treasury $15,272,000 principal amount of reacquired debentures which is more than sufficient to meet the sinking fund payment due in 1959.

Price Range Per Share Of
Common Stock, By Months





[fol. 3430]

COLUMBIA GAS SYSTEM

Price Range of Common Stock By Months
January 1957 to April 1958.

Year and Month	Price Per Share High $	Low $	Close $	Index Numbers (Jan. 1957 Equals 100) Monthly Closing Prices For Columbia Gas System Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
Jan. 57	18.000	16.875	17.625	100.00	100.00
Feb.	17.625	16.750	17.375	98.58	99.59
Mar.	17.625	17.125	17.375	98.58	99.21
Apr.	17.625	17.125	17.250	97.87	95.07
May	17.625	17.125	17.625	100.00	95.80
June	17.875	17.250	17.375	98.58	98.98
July	17.750	17.250	17.375	98.58	99.04
Aug.	17.375	16.625	16.750	95.04	98.79
Sept.	16.875	16.125	16.375	92.91	98.36
Oct.	16.500	14.500	15.875	90.07	96.48
Nov.	15.875	15.125	15.875	90.07	92.91
Dec.	16.000	15.625	16.000	90.78	92.25
Jan. 58	17.000	16.000	16.875	95.74	92.13
Feb.	17.000	16.625	17.000	96.45	91.92
Mar.	17.375	16.875	17.375	98.58	92.47
Apr.	18.625	17.250	18.500	104.96	93.97

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to January 1957 base. The deflated index numbers state the Columbia Gas System stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 4/3/57

$26,387,786
1,675,415 Shs. Com. Stk.

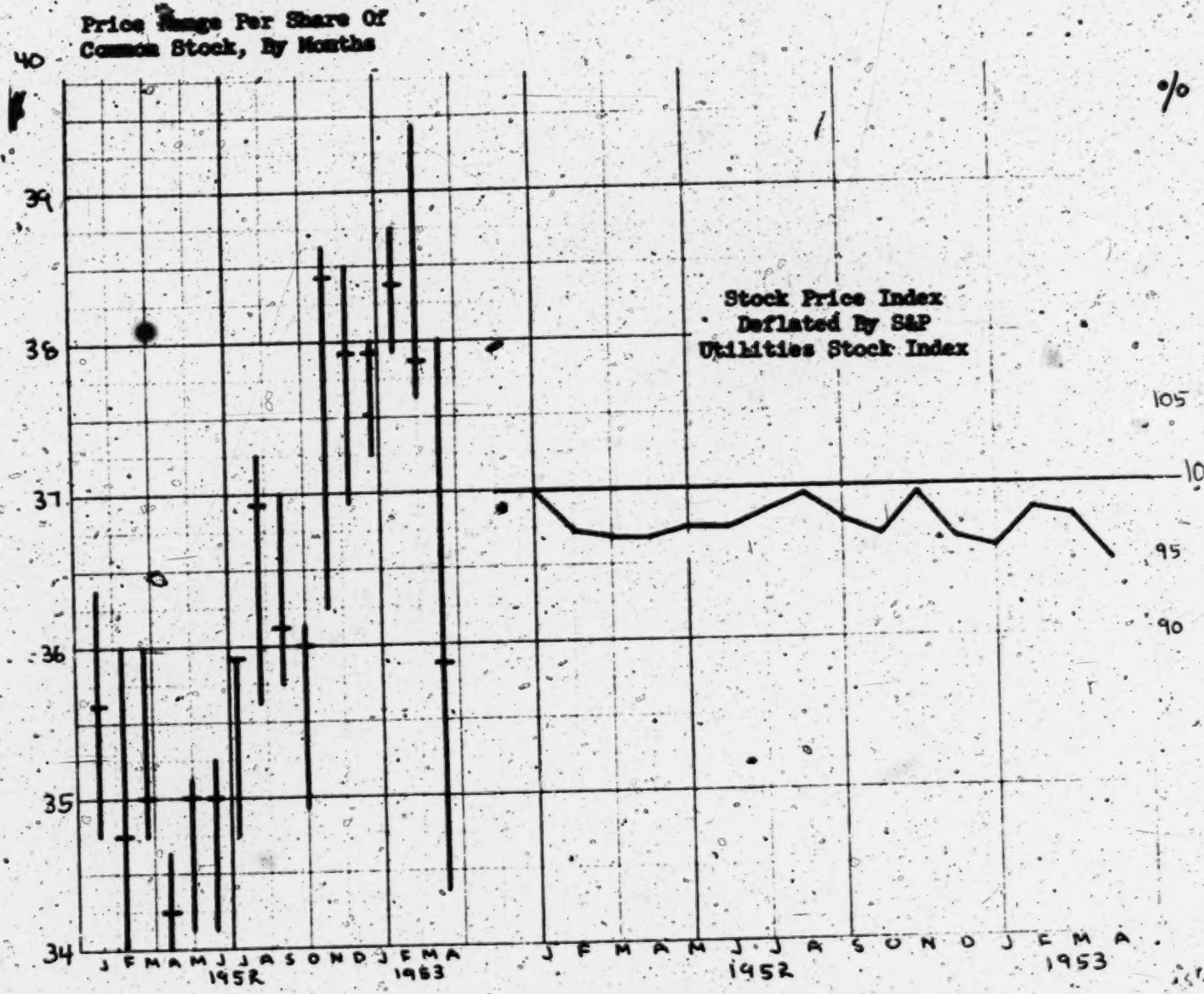
Subscription Price $15.75 Per Share

Rights 1-For-13 Basis.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Jan. 57	Feb. 57	-1.42	- 1.01
Feb.	Mar.	No Change	+ 0.37
Mar.	Apr.	-0.72	+ 3.61
Apr.	May	+2.17	+ 1.40
May	Apr. 58	+4.96	+ 7.01

Price Range Per Share Of

GOVERNMENT TRIAL EXHIBIT No. 632


Price Range Per Share Of Common Stock, By Months
40
39
38
37
36
35
34
J F M A M J J A S O N D J F M A
1952
1953
Stock Price Index Deflated By S&P Utilities Stock Index
%
105
100
95
90
J F M A M J J A S O N D J F M A
1952
1953

[fol. 3431]

SOUTHERN CALIFORNIA EDISON CO.

Price Range of Common Stock By Months
January 1952 to April 1953

Year and Month	Price Per Share High	Low	Close	Index Numbers (Jan. 1952 Equals 100) Monthly Closing Prices For Southern California Edison Com. Stk. (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Jan. 52	36.375	34.750	35.625	100.00	100.00
Feb.	36.000	34.000	34.750	97.54	97.41
Mar.	36.000	34.750	35.000	98.25	96.86
Apr.	34.625	34.000	34.250	96.14	96.70
May	35.125	34.125	35.000	98.25	97.42
June	35.250	34.125	35.000	98.25	97.37
July	35.875	34.750	35.875	100.70	98.23
Aug.	37.250	35.625	36.875	103.51	99.40
Sept.	37.000	35.750	36.125	101.40	97.67
Oct.	36.125	34.875	36.000	101.05	96.79
Nov.	38.625	36.250	38.375	107.72	99.42
Dec.	38.500	36.875	37.875	106.32	96.49
Jan. 53	39.000	37.250	37.875	106.32	95.90
Feb.	38.750	37.875	38.375	107.72	98.24
Mar.	39.375	37.625	37.875	106.32	97.80
Apr.	38.000	34.375	35.875	100.70	94.87

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to January 1952 base. The deflated index numbers state the Southern California Edison stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 4/15/52

$27,900,000
900,000 Shares Com. Stk.

Offering Price $34.00 Per Sh.

Offering increased common stock outstanding 17.56%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Jan. 52	Feb. 52	-2.46	-0.13
Feb.	Mar.	+0.72	+1.30
Mar.	Apr.	-2.14	-1.99
Apr.	May	+2.19	+1.44
May	Apr. 53	+2.50	+5.25

Price Range Per Share Of Common Stock, By Months

40

%

GOVERNMENT TRIAL EXHIBIT NO. 633

[fol. 3432]

NIAGARA MOHAWK POWER CORP.

Price Range of Common Stock By Months November 1952 to February 1954

Year and Month	Price Per Share High	Low	Close	Index Numbers (Nov. 1952 Equals 100) Monthly Closing Prices For Niagara Mohawk Power Corp. Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Nov. 52	28.000	26.500	27.875	100.00	100.00
Dec.	27.875	27.250	27.750	99.55	97.89
Jan. 53	28.250	27.250	28.250	101.35	99.05
Feb.	28.500	27.125	27.500	98.65	97.48
Mar.	28.375	27.000	27.500	98.65	98.33
Apr.	27.875	26.500	27.000	96.86	98.87
May	27.750	26.750	27.125	97.31	99.54
June	27.250	24.625	25.250	90.58	95.69
July	26.500	25.125	26.500	95.07	97.54
Aug.	27.375	26.000	26.000	93.27	95.98
Sept.	26.375	24.750	26.000	93.27	95.28
Oct.	27.250	26.000	27.250	97.76	96.36
Nov.	28.000	27.125	28.000	100.45	96.80
Dec.	28.250	27.375	27.750	99.55	95.74
Jan. 54	29.125	27.375	28.250	101.35	94.79
Feb.	29.125	28.500	29.125	104.48	97.00

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to November 1952 base. The deflated index numbers state the Niagara Mohawk Power stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 2/17/53

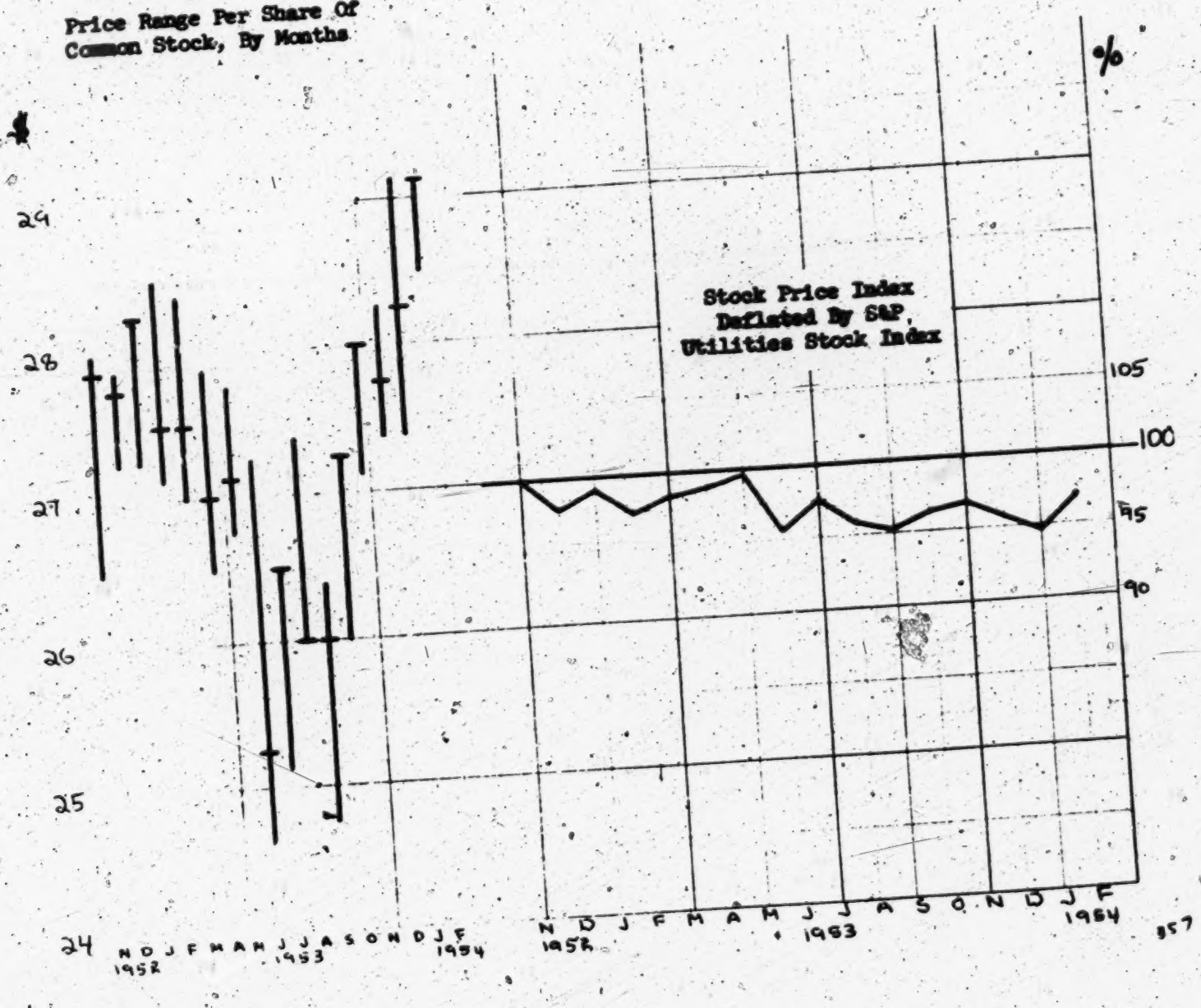
$27,500,000
1,000,000 Shs. Common Stock

Offering Price $27.50 per share

Issue increased common stock outstanding by 9.51%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Nov. 52	Dec. 52	-0.45	+1.70
Dec.	Jan. 53	+1.80	+0.61
Jan. 53	Feb.	-2.66	-1.09
Feb.	Mar.	No Change	-0.86
Mar.	Feb. 54	+5.91	+7.35

Price Range Per Share Of Common Stock, By Months



GOVERNMENT TRIAL EXHIBIT No. 634

[fol. 3433]

PACIFIC LIGHTING CORPORATION

Price Range of Common Stock By Months
August 1953 to November 1954

(Adjusted To Reflect Two-For-One Split Effective Nov. 9, 1953)

Year and Month	Price Per Share High	Low	Close	Index Numbers (Aug. 1953 Equals 100) Monthly Closing Prices For Pacific Lighting Corp. Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Aug. 53	31.000	28.875	30.500	100.00	100.00
Sept.	33.313	30.500	32.250	105.74	104.98
Oct.	33.500	32.125	32.875	107.79	103.26
Nov.	34.250	32.625	34.000	111.48	104.40
Dec.	34.375	33.625	34.125	111.89	104.58
Jan. 54	35.125	34.125	35.000	114.75	104.30
Feb.	35.000	33.625	34.000	111.48	100.59
Mar.	35.250	33.750	35.250	115.57	101.97
Apr.	36.625	34.500	35.000	114.75	100.45
May	35.500	34.375	35.125	115.16	98.67
June	35.750	34.500	35.250	115.57	98.48
July	38.250	35.000	36.125	118.44	96.54
Aug.	37.750	36.000	36.250	118.85	98.56
Sept.	37.000	35.375	35.750	117.21	95.88
Oct.	36.875	35.000	35.800	114.75	97.86
Nov.	36.625	35.000	36.000	118.03	95.65

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to August 1953 base. The deflated index numbers state the Pacific Lighting stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 11/16/53

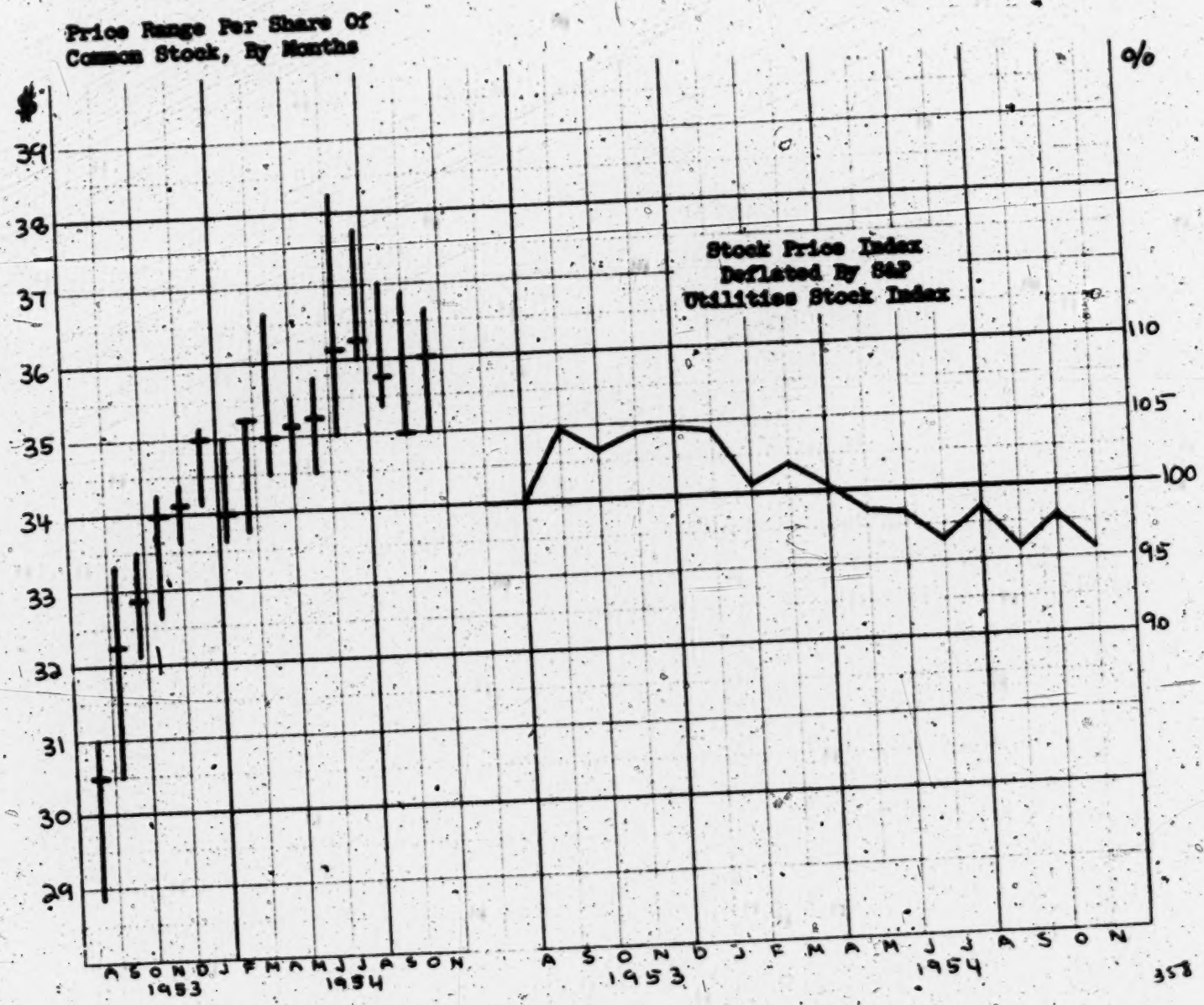
$26,400,000
800,000 Shs. Com. Stk.

Offering Price $33.00 Per Share

Offering increased common stock outstanding 17.39%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Aug. 53	Sept. 53	↑5.74	↑0.72
Sept.	Oct.	↑1.94	↑3.64
Oct.	Nov.	↑3.42	↑2.29
Nov.	Dec.	↑0.37	↑0.20
Dec.	Nov. 54	↑5.49	↑15.34

Price Range Per Share Of Common Stock, By Months



GOVERNMENT TRIAL EXHIBIT NO. 633

8503

[fol. 3434]

PUBLIC SERVICE ELECTRIC AND GAS CO.

Price Range of Common Stock, By Months
September 1956 to December 1957

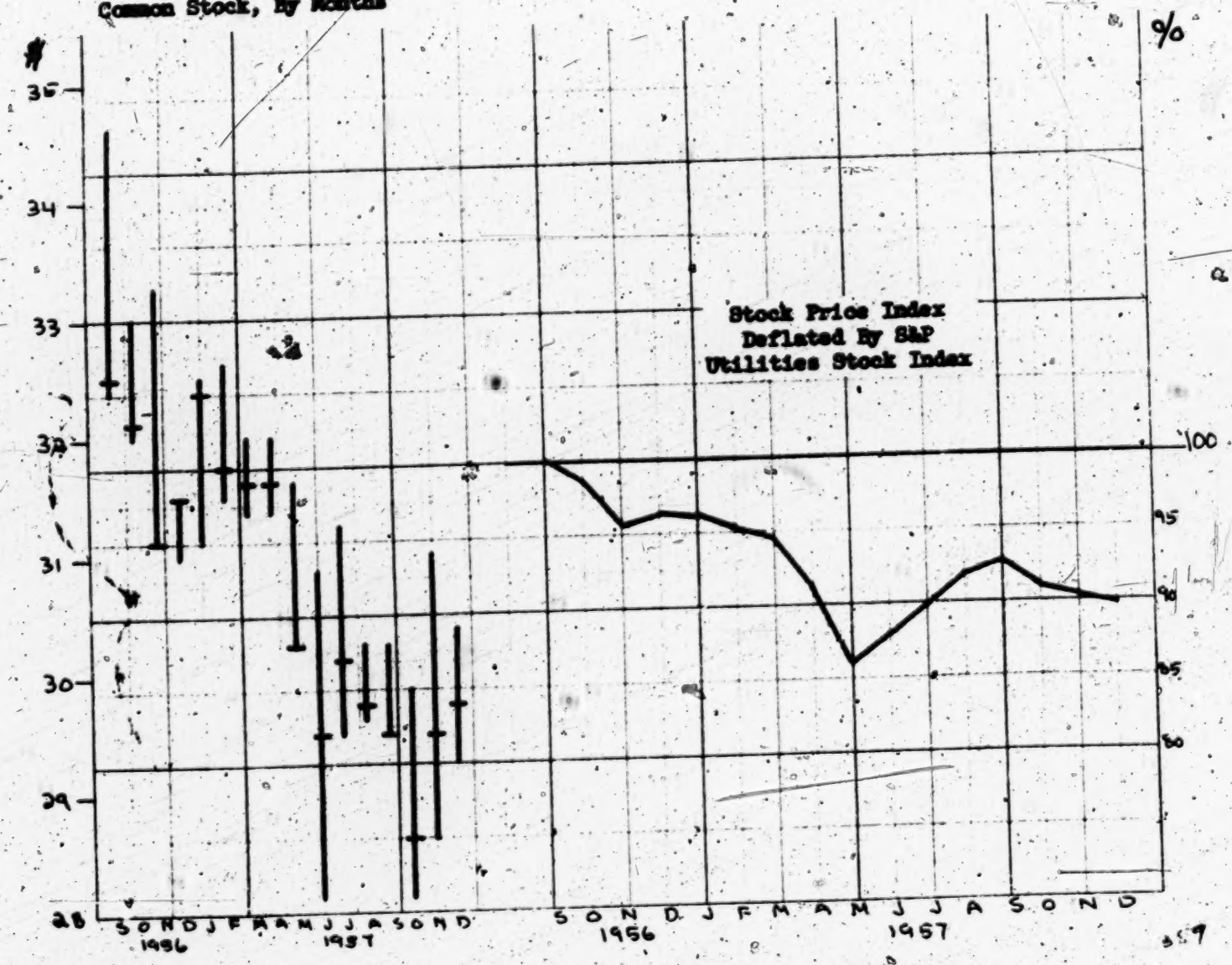
Year and Month	Price Per Share High	Low	Close	Index Numbers (Sept. 1956 Equals 100) Monthly Closing Prices For Public Service Electric & Gas Common Stock (1) Stock Price	(2) Stock Price Deflated by S&P Utilities 1/
	$	$	$		
Sept. 56	34.625	32.375	32.500	100.00	100.00
Oct.	33.000	32.000	32.125	98.85	98.63
Nov.	33.250	31.125	31.125	95.77	95.67
Dec.	31.500	31.000	31.500	96.92	96.22
Jan. 57	32.500	31.125	32.375	99.62	96.18
Feb.	32.625	31.500	31.750	97.69	95.27
Mar.	32.000	31.375	31.625	97.31	94.55
Apr.	32.000	31.375	31.625	97.31	91.26
May	31.625	30.250	30.250	93.08	86.09
June	30.875	28.125	29.500	90.77	87.98
July	31.250	29.500	30.125	92.69	89.89
Aug.	30.250	29.625	29.750	91.54	91.86
Sept.	30.250	29.500	29.500	90.77	92.77
Oct.	29.875	28.125	28.625	88.08	91.09
Nov.	31.000	28.625	29.500	90.77	90.40
Dec.	30.375	29.250	29.750	91.54	89.81

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to September 1956 base. The deflated index numbers state the Public Service Electric and Gas stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 12/4/56			Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
$31,125,000 1,000,000 Shares Com. Stk.	From	To		
Offering Price $31.125 Per Share	Sept. 56	Oct. 56	-1.15	-0.22
	Oct.	Nov.	-3.11	-0.13
	Nov.	Dec.	+1.20	+0.63
Issue increased common stock outstanding by 10.05%	Dec.	Jan. 57	+2.78	+2.83
	Jan. 57	Dec. 57	-8.11	-1.59

Price Range Per Share Of

Price Range Per Share Of Common Stock, By Months



636

GOVERNMENT TRIAL EXHIBIT No. 636

[fol. 3435]

GENERAL TELEPHONE CORP.

Price Range of Common Stock By Months
September 1955 to December 1956

Year and Month	Price Per Share High	Low	Close	Index Numbers (Sept. 1955 Equals 100) Monthly Closing Price For General Telephone Corp. Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
	$	$	$		
Sept. 55	41.750	38.000	40.000	100.00	100.00
Oct.	40.125	36.000	36.750	91.88	93.02
Nov.	39.875	36.500	38.750	96.88	95.67
Dec.	41.750	38.625	40.875	102.19	102.00
Jan. 56	40.750	38.000	40.375	100.94	100.85
Feb.	42.000	39.000	40.750	101.88	100.38
Mar.	45.500	40.375	44.875	112.19	106.76
Apr.	46.000	43.375	43.875	109.69	107.88
May	45.875	40.750	42.000	105.00	105.14
June	43.750	40.375	43.000	107.50	105.83
July	43.875	42.500	43.125	107.81	101.22
Aug.	43.375	40.125	40.500	101.25	97.97
Sept.	42.625	40.125	40.750	101.88	102.24
Oct.	42.750	40.000	41.000	102.50	102.63
Nov.	42.375	38.250	38.875	97.19	97.43
Dec.	40.375	38.500	40.125	100.31	99.93

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to September 1955 base. The deflated index numbers state the General Telephone stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 12/10/56

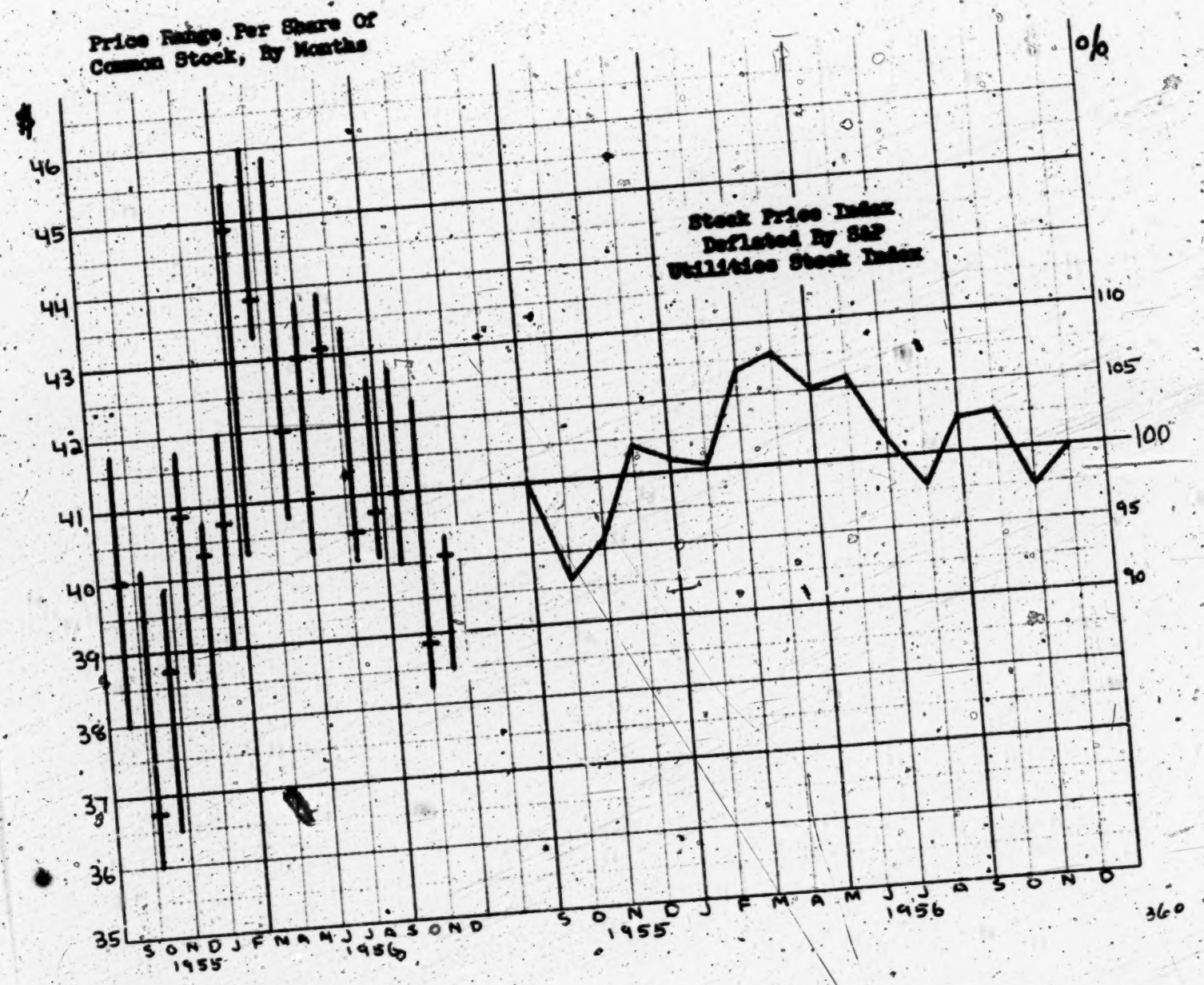
$,100,000
800,000 Shs. Com. Stk.

Offering Price $38.875 Per Share

Offering increased common stock outstanding by 6.43%

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Sept. 55	Oct. 55	-8.13	-1.23
Oct.	Nov.	+5.44	+2.53
Nov.	Dec.	+5.48	-1.06
Dec.	Jan. 56	-1.22	-0.10
Jan. 56	Dec. 56	-0.62	+0.28

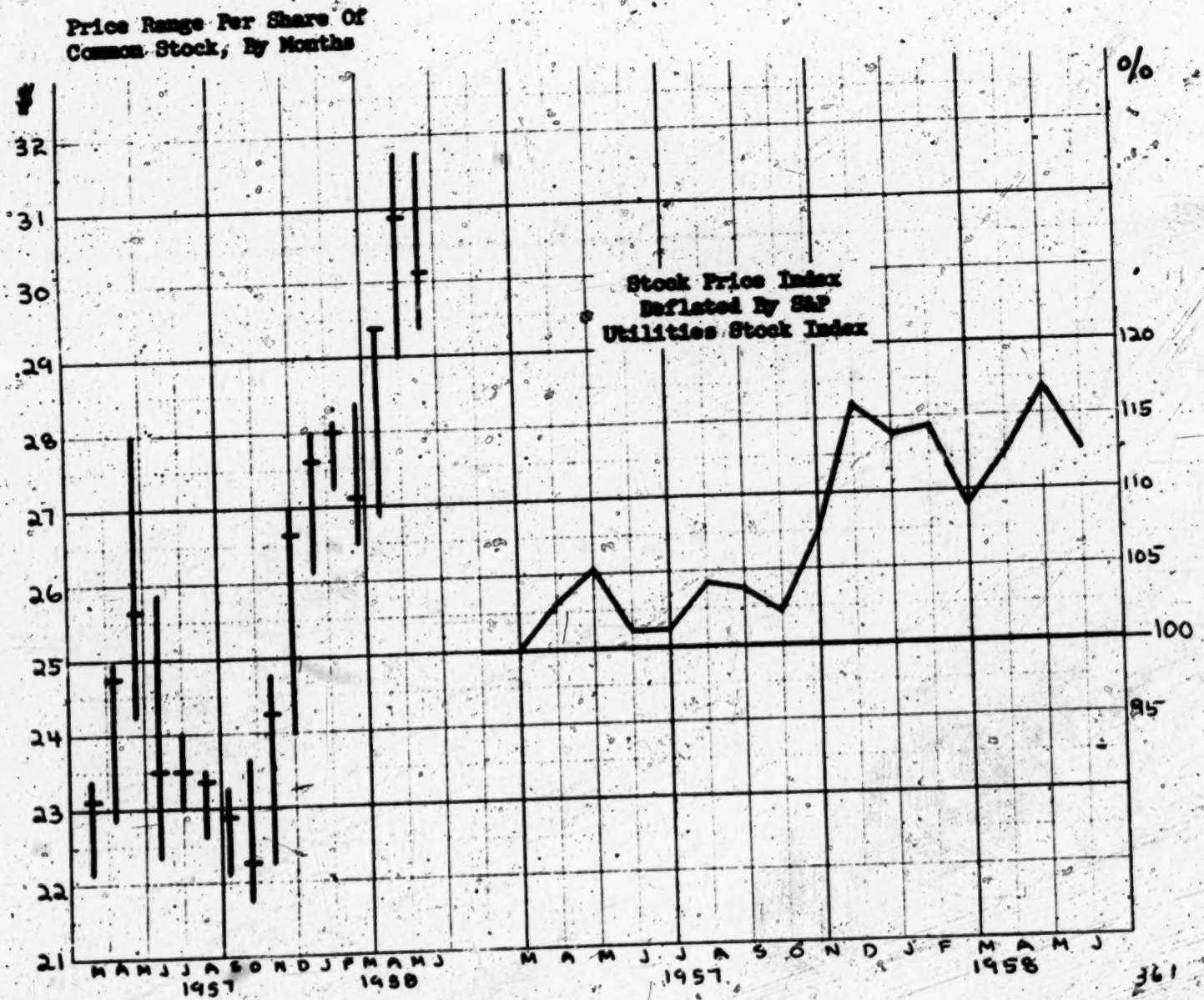
Price Range Per Share Of



637

GOVERNMENT TRIAL EXHIBIT NO. 637

03632


Price Range Per Share Of Common Stock, By Months
$
32
31
30
29
28
27
26
25
24
23
22
21
%
120
115
110
105
100
95
Stock Price Index Deflated By S&P Utilities Stock Index
M A M J J A S O N D J F M A M J
1957
1958
M A M J J A S O N D J F M A M J
1957
1958

[fol. 3436]

VIRGINIA ELECTRIC & POWER CO.

Price Range of Common Stock By Months
March 1957 to June 1958
(Adjusted to Reflect Two-for-One Split Effective April 1957)

Year and Month	Price Per Share High $	Low $	Close $	Index Numbers (Mar. 1957 Equals 100) Monthly Closing Prices For Virginia Electric & Power Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Utilities 1/
Mar. 57	23.375	22.125	23.187	100.00	100.00
Apr.	24.937	22.875	24.750	106.74	103.02
May	26.000	24.250	25.625	110.51	105.20
June	25.875	22.375	23.500	101.35	101.10
July	24.000	23.000	23.500	101.35	101.17
Aug.	23.500	22.625	23.375	100.81	104.11
Sept.	23.250	22.125	22.875	98.65	103.77
Oct.	23.625	21.750	22.250	95.96	102.13
Nov.	24.750	22.250	24.250	104.58	107.18
Dec.	27.000	24.000	26.625	114.83	115.94
Jan. 58	28.000	26.125	27.625	119.14	113.91
Feb.	28.125	27.250	28.000	120.76	114.35
Mar.	28.375	26.500	27.125	116.98	109.02
Apr.	29.375	26.875	29.375	126.69	112.69
May	31.750	29.000	30.875	133.16	116.97
June	31.750	29.375	30.125	129.92	112.60

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Utilities) have been converted, for purposes of this table, to March 1957 base. The deflated index numbers state the Virginia Electric & Power stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 6/4/57

$25,000,000
1,000,000 Shs. Com. Stk.

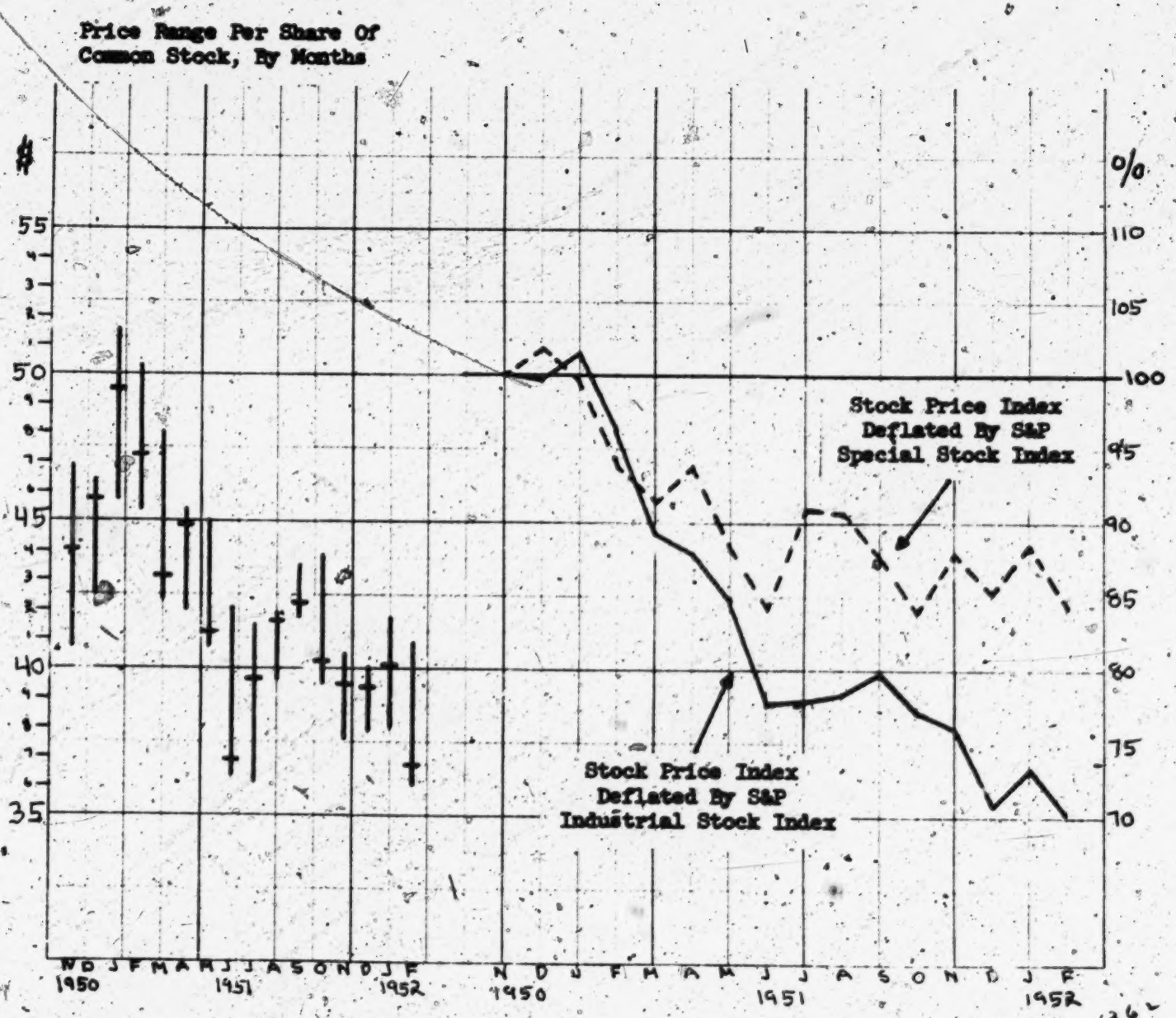
Offering Price $25.00 Per Share

Issue increased common stock outstanding by 7.57%

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Utilities Stock Price Index
Mar. 57	Apr. 57	/ 6.74	/ 3.61
Apr.	May	/ 3.54	/ 1.40
May	June	- 8.29	- 4.58
June	July	No Change	- 0.06
July	June 58	/28.19	/15.16

Price Range Per Share Of Common Stock By Months

GOVERNMENT TRIAL EXHIBIT No. 638


Price Range Per Share Of
Common Stock, By Months
$
55
50
45
40
35
%
110
105
100
95
90
85
80
75
70
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
N D J F M A M J J A S O N D J F
1950
1951
1952
N D J F M A M J J A S O N D J F
1950
1951
1952

[fol. 3437]

ARMCO STEEL CORP.

Price Range of Common Stock By Months
November 1950 To February 1952

Year and Month	Price Per Share High	Low	Close
	$	$	$
Nov. 50	46.875	40.750	44.000
Dec.	46.375	42.500	45.750
Jan. 51	51.500	45.750	49.500
Feb.	50.250	45.375	47.250
Mar.	47.000	42.375	43.125
Apr.	45.375	42.000	44.875
May	45.000	40.750	41.250
June	42.000	36.375	36.875
July	41.500	36.125	39.625
Aug.	41.875	39.625	41.625
Sept.	43.500	41.750	42.250
Oct.	43.875	39.500	40.250
Nov.	40.500	37.625	39.500
Dec.	40.000	37.875	38.375
Jan. 52	41.750	38.000	40.125
Feb.	40.875	36.000	36.750

Index Numbers (Nov. 1950 Equals 100)
Monthly Closing Prices For Armco Com. Stk.

	(1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Steel Stocks
	100.00	100.00	100.00
	103.98	99.68	101.91
	112.50	101.53	99.57
	107.39	96.26	93.81
	98.01	89.28	91.43
	101.99	87.98	93.87
	93.75	84.73	88.17
	83.81	77.70	84.05
	90.06	77.96	90.97
	94.60	78.42	90.55
	96.02	79.86	87.64
	91.48	77.16	83.97
	89.77	76.04	87.88
	87.21	70.95	85.20
	91.19	73.31	88.52
	83.52	70.18	84.32

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 11 Steel Stocks have been converted, for purposes of this table, to November 1950 base. The deflated index numbers state the Armco stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 2/27/51

$33,609,217
819,737 Shares Com. Stk.
Subscription Price $41.00 Per Share
Rights 1-For-5 Basis

Per Cent Change In Monthly Closing Figures

From	To	(1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Steel Stocks
Nov. 50	Dec. 50	+3.98	+4.31	+2.63
Dec. 50	Jan. 51	+8.20	+6.22	+10.75
Jan. 51	Feb. 51	-4.55	+ .69	+1.32
Feb. 51	Mar. 51	-8.73	-1.59	-6.36
Mar. 51	Feb. 52	-14.78	+8.41	-7.6[illegible]

GOVERNMENT TRIAL EXHIBIT NO. 639

[fol. 3438]

AMERICAN TOBACCO CO.

Price Range of Common Stock By Months
December 1951 to March 1953

Year and Month	Price Per Share High	Low	Close	(1) Stock Price	Index Numbers (Dec. 1951 Equals 100) Monthly Closing Prices For American Tobacco Com. Stk. Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Tobacco-Cigarette Stocks
	$	$	$			
Dec. 51	62.250	59.750	62.250	100.00	100.00	100.00
Jan. 52	66.000	62.125	65.375	105.02	103.77	101.24
Feb.	65.750	60.500	60.625	97.39	100.59	94.20
Mar.	60.875	57.000	58.750	94.38	92.85	93.00
Apr.	58.875	56.000	56.625	90.96	93.78	90.57
May	57.125	54.375	55.875	89.76	90.43	92.08
June	58.250	55.750	58.000	93.17	89.09	94.98
July	58.000	57.125	57.375	92.17	86.53	92.01
Aug.	57.875	56.375	56.750	91.16	87.27	91.55
Sept.	57.000	55.500	55.750	89.56	87.64	89.64
Oct.	59.250	55.625	59.125	94.98	93.06	93.36
Nov.	64.750	58.500	64.750	104.81	97.34	93.69
Dec.	66.875	64.000	65.250	104.82	94.49	91.07
Jan. 53	70.000	65.000	70.000	112.45	102.39	95.96
Feb.	72.500	66.250	72.375	116.26	107.94	96.43
Mar.	74.750	68.000	69.000	110.84	105.61	87.94

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average StockPrice Index for 5 Tobacco-Cigarette Stocks have been converted, for purposes of this table, to December 1951 base. The deflated index numbers state the American Tobacco stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 3/5/52

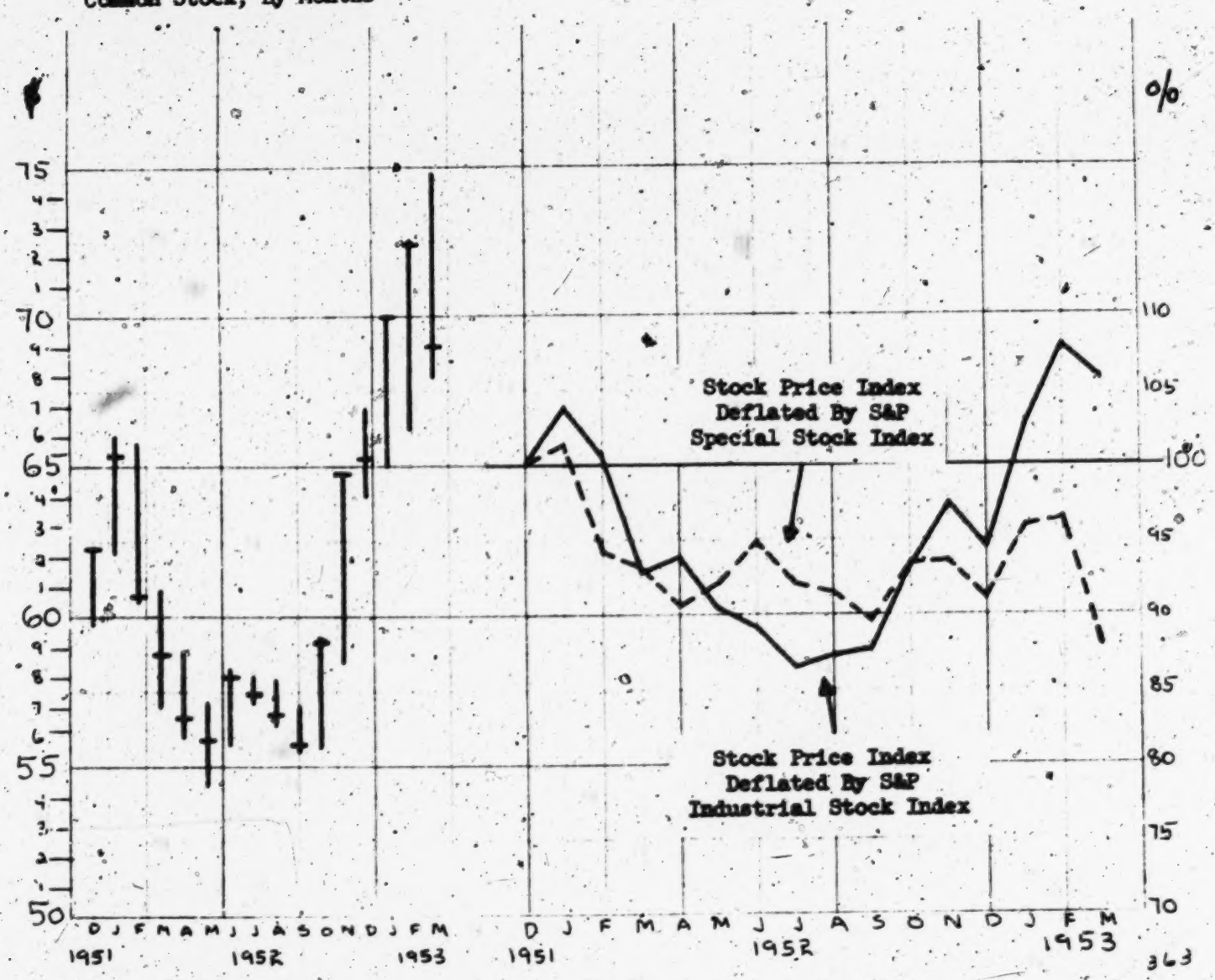
$55,935,620
1,075,685 Shares Com. Stk.
Subscription Price $52.00 Per Share

Rights 1-For-5 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Tobacco-Cigarette Stocks
Dec. 51	Jan. 52	+5.02	+1.20	+3.73
Jan. 52	Feb.	-7.26	-4.32	-0.34
Feb.	Mar.	-3.09	+4.99	-1.85
Mar.	Apr.	-3.62	-4.59	-1.03
Apr.	Mar. 53	+21.85	+8.21	+25.50

Price Range Per Share Of Common Stock, By Months

Price Range Per Share Of Common Stock, By Months



GOVERNMENT TRIAL EXHIBIT NO. 640

23962

[fol. 3439]

AMERICAN CAN CO.

Price Range of Common Stock By Months
February 1952 to May 1953

(Adjusted to Reflect Four-For-One Split Effective April 29, 1952)

Year and Month	Price Per Share			Index Numbers (Feb. 1952 Equals 100) Monthly Closing Prices For American Can Com. Stk. Stock Price Deflated By: 1/		
	High	Low	Close	(1) Stock Price	(2) S&P Industrials	(3) S&P Metal & Glass Container Stocks
	$	$	$			
Feb. 52	30.938	29.313	29.500	100.00	100.00	100.00
Mar.	32.438	29.313	32.438	109.96	104.74	109.53
Apr.	33.375	31.125	31.250	105.93	105.75	105.18
May	31.875	28.125	30.125	102.12	99.62	104.91
June	34.625	30.000	34.250	116.10	107.49	115.65
July	35.375	33.125	34.500	116.95	106.31	112.72
Aug.	35.125	32.625	32.625	110.59	102.51	108.01
Sept.	34.000	32.000	32.500	110.17	104.39	109.96
Oct.	33.375	30.500	31.875	108.05	102.50	109.68
Nov.	34.875	31.375	34.500	116.95	105.98	115.38
Dec.	36.125	33.625	35.750	121.19	105.78	114.81
Jan. 53	36.000	33.625	34.125	115.68	101.99	108.92
Feb.	34.250	31.625	34.250	116.10	104.36	110.11
Mar.	36.875	33.875	35.500	120.34	111.03	109.89
Apr.	36.625	34.500	36.375	123.30	116.78	112.99
May	37.375	34.625	34.625	117.37	111.75	107.36

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Metal & Glass Container Stocks have been converted, for purposes of this table, to February 1952 base. The deflated index numbers state the American Can Stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 5/8/52

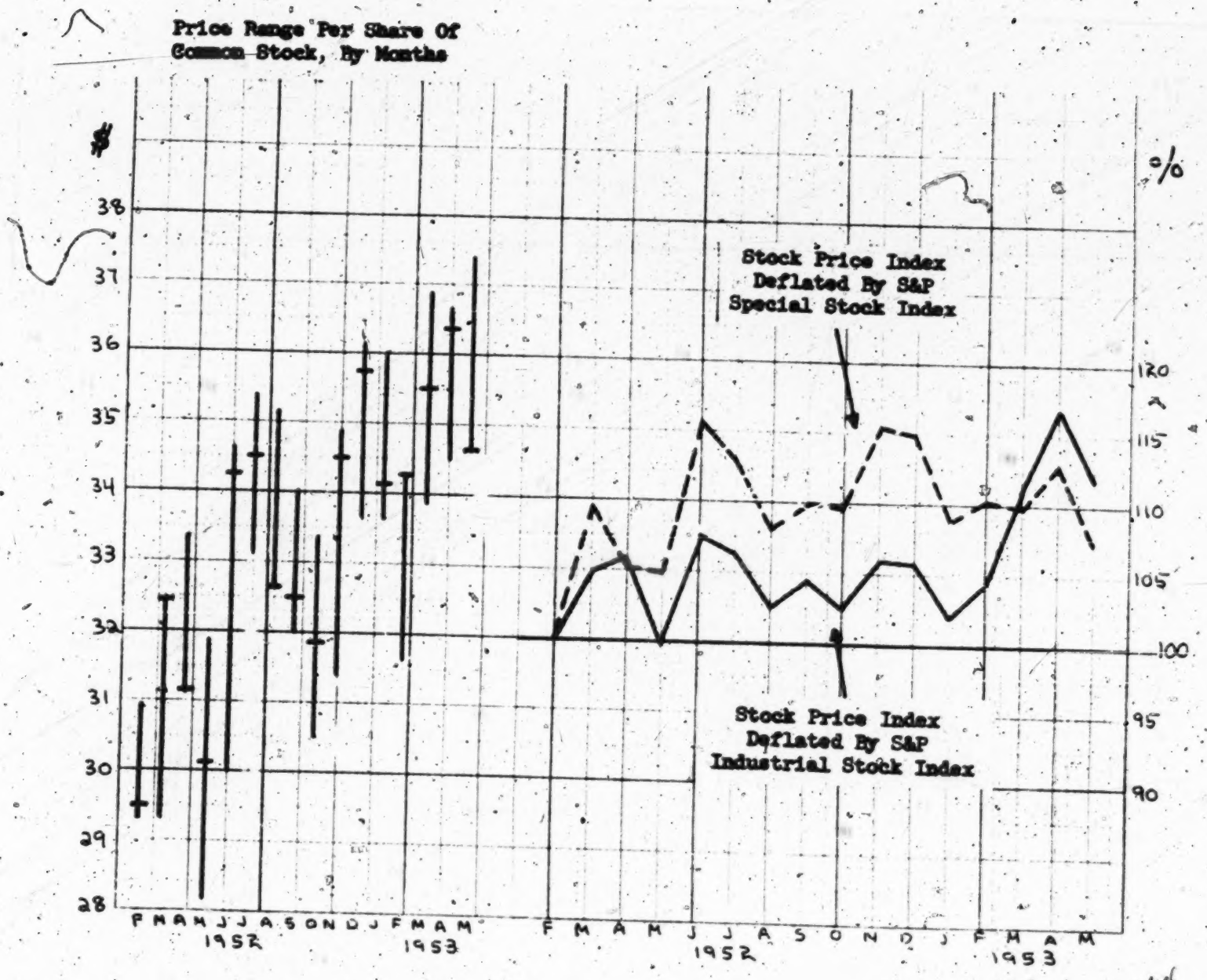
$25,976,974
989,599 Shares Com. Stk.
Subscription Price $26.25 Per Sh

Rights 1-For-10 Basis

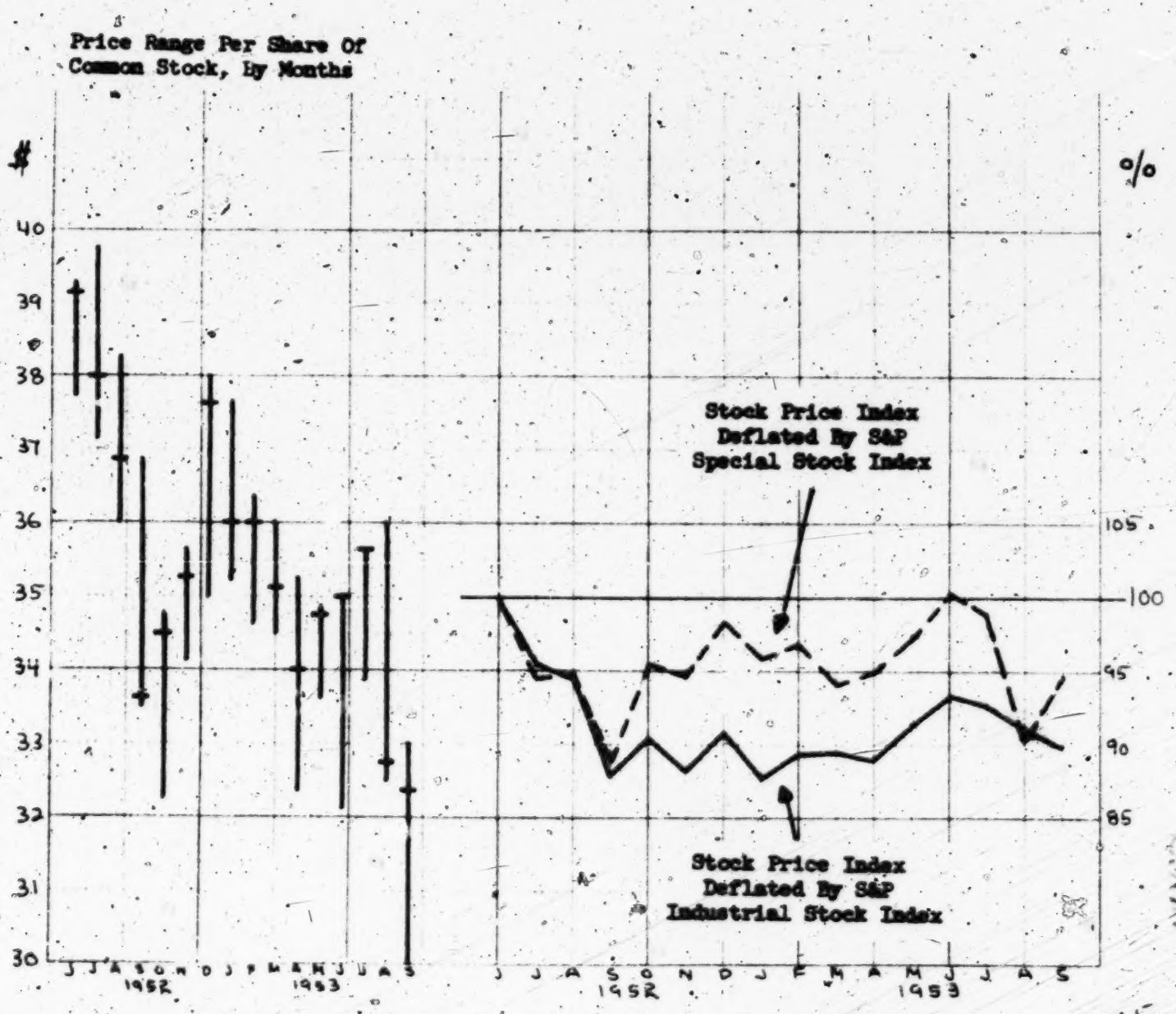
From	To	Per Cent Change In Monthly Closing Figures: (1) Stock Price	S&P Stock Price Index (2) Industrials	S&P Stock Price Index (3) Metal & Glass Container Stock
Feb. 52	Mar. 52	+9.96	+4.99	+0.39
Mar.	Apr.	-3.66	-4.59	+0.32
Apr.	May	-3.60	+2.34	-3.34
May	June	+13.69	+5.36	+3.13
June	May 53	+1.09	-2.76	+8.90

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 641


Price Range Per Share Of Common Stock, By Months
$
38
37
36
35
34
33
32
31
30
29
28
%
120
115
110
105
100
95
90
Stock Price Index Deflated By S&P Special Stock Index
Stock Price Index Deflated By S&P Industrial Stock Index
F M A M J J A S O N D J F M A M
1952
1953
F M A M J J A S O N D J F M A M
1952
1953

2984


Price Range Per Share Of
Common Stock, By Months
$
40
39
38
37
36
35
34
33
32
31
30
J J A S O N D J F M A M J J A S
1952
1953
%
105
100
95
90
85
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
J J A S O N D J F M A M J J A S
1952
1953

[fol. 3440]

SOCONY-VACUUM OIL CO., INC.

Price Range of Common Stock By Months
June 1952 to September 1953

Year and Month	Price Per Share			Index Numbers (June 1952 Equals 100) Monthly Closing Prices For Socony-Vacuum Oil Co., Inc. Common Stock Stock Price Deflated By: 1/		
	High	Low	Close	(1) Stock Price	(2) S&P Industrials	(3) S&P Integrated Int'l. Oil Stocks
	$	$	$			
June 52	39.250	37.750	39.125	100.00	100.00	100.00
July	39.750	37.125	38.000	97.12	95.36	94.54
Aug.	38.250	36.000	36.875	94.25	94.36	94.80
Sept.	36.875	33.500	33.625	85.94	87.95	88.78
Oct.	34.750	32.250	34.500	88.18	90.36	95.46
Nov.	35.625	34.125	35.250	90.18	88.19	94.79
Dec.	38.000	35.000	37.625	96.19	90.67	98.43
Jan. 53	37.625	35.250	36.000	92.01	87.62	95.86
Feb.	36.375	34.625	36.000	92.01	89.33	96.96
Mar.	36.000	34.500	35.125	89.78	89.47	94.16
Apr.	35.250	32.375	34.000	86.90	88.90	95.00
May	34.875	33.625	34.750	88.82	91.34	97.27
June	35.000	32.125	35.000	89.46	93.32	100.20
July	35.625	33.875	35.625	91.05	92.66	98.89
Aug.	36.000	32.500	32.750	83.71	91.08	90.25
Sept.	33.000	30.000	32.375	82.75	89.96	94.66

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Integrated Int'l. Oil Company Stocks have been converted, for purposes of this table, to June 1952 base. The deflated index numbers state the Socony-Vacuum Oil Company stock price index as a percentage of these adjusted S&P index numbers.

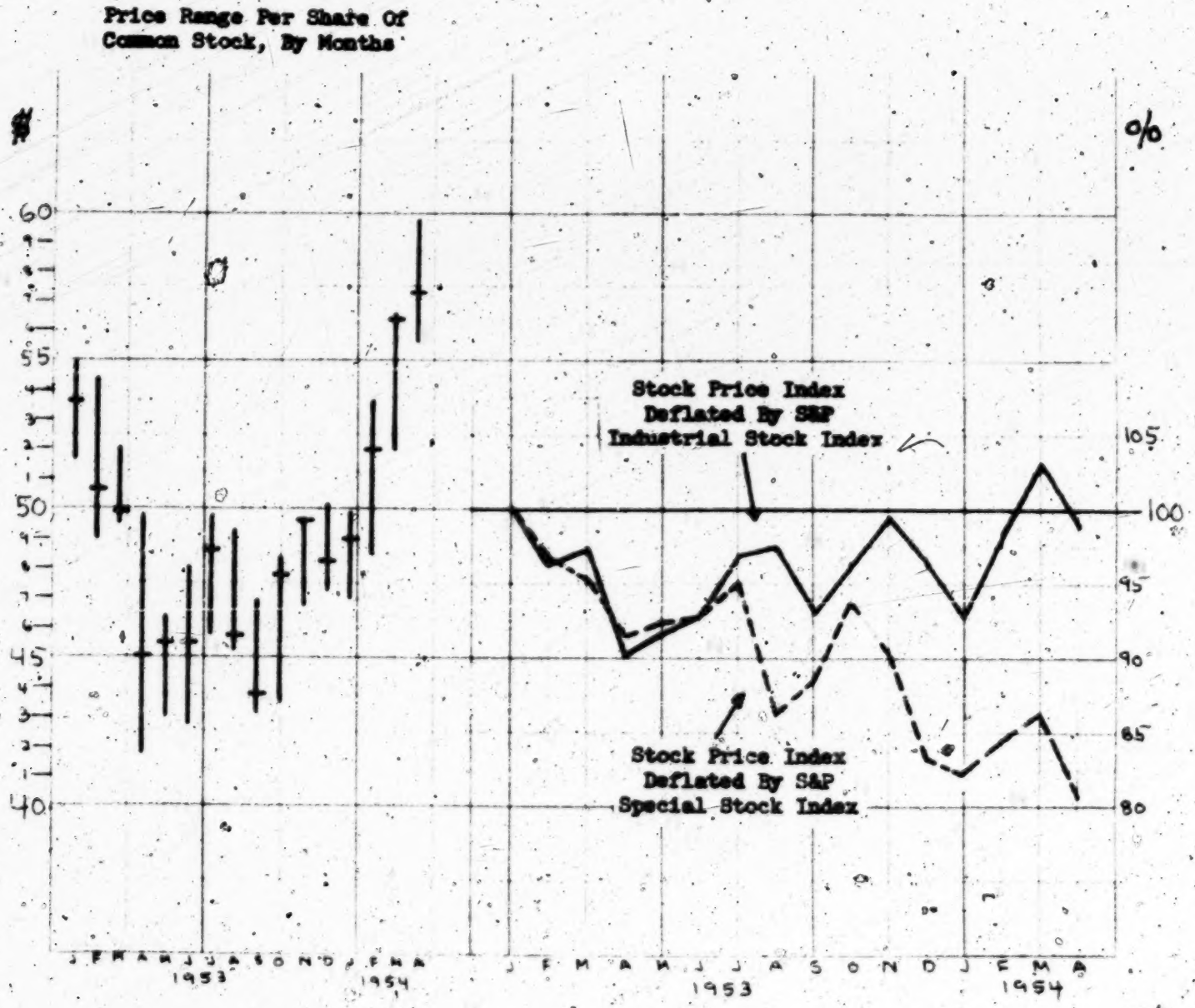
SECURITY OFFERING 9/25/52

$98,585,828
3,180,188 Shares Common Stock
Subscription Price $31.00 Per Sh.

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures: (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Integrated Int'l. Oil Stocks
June 52	July 52	-2.88	+1.85	+2.73
July	Aug.	-2.96	-1.94	-3.22
Aug.	Sept.	-8.81	-2.17	-2.64
Sept.	Oct.	+2.60	-0.12	-4.59
Oct.	Sept 53	-6.16	-5.74	-5.36

GOVERNMENT TRIAL EXHIBIT NO. 642


Price Range Per Share Of Common Stock, By Months
$
60
55
50
45
40
%
105
100
95
90
85
80
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
J F M A M J J A S O N D J F M A
1953
1954
J F M A M J J A S O N D J F M A
1953
1954

[fol. 3441]

ALUMINIUM LIMITED

Price Range of Common Stock By Months
January 1953 to April 1954

Year and Month	Price Per Share High	Low	Close	Index Numbers (Jan. 1953 Equals 100) Monthly Closing Prices Per Aluminium Com. Stk. Stock Price Related By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Aluminum Stocks
	$	$	$			
Jan. 53	54.875	51.625	53.625	100.00	100.00	100.00
Feb.	54.375	49.000	50.625	94.41	96.26	96.67
Mar.	52.000	49.500	49.875	93.01	97.32	95.39
Apr.	49.750	41.750	45.000	83.92	90.15	91.56
May	46.375	43.000	45.500	84.85	91.63	92.41
June	48.000	42.750	45.500	84.85	92.96	92.85
July	49.750	45.750	48.625	90.66	96.91	95.03
Aug.	49.250	45.250	45.750	85.31	97.46	86.20
Sept.	46.875	43.125	43.750	81.59	93.14	88.59
Oct.	48.375	43.500	47.750	89.04	96.35	93.70
Nov.	49.625	46.750	49.625	92.54	99.54	90.24
Dec.	50.125	47.250	48.250	89.98	96.32	83.28
Jan. 54	49.875	47.000	49.000	91.38	92.77	82.39
Feb.	53.625	48.500	52.000	96.97	98.30	84.56
Mar.	56.500	52.000	56.375	105.13	103.08	86.30
Apr.	59.750	55.625	57.250	106.76	98.95	80.65

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 4 Aluminum Stocks have been converted, for purposes of this table, to January 1953 base. The deflated index numbers state the Aluminium Ltd. stock price index as a percentage of these adjusted S&P index numbers

SECURITY OFFERING 4/24/53

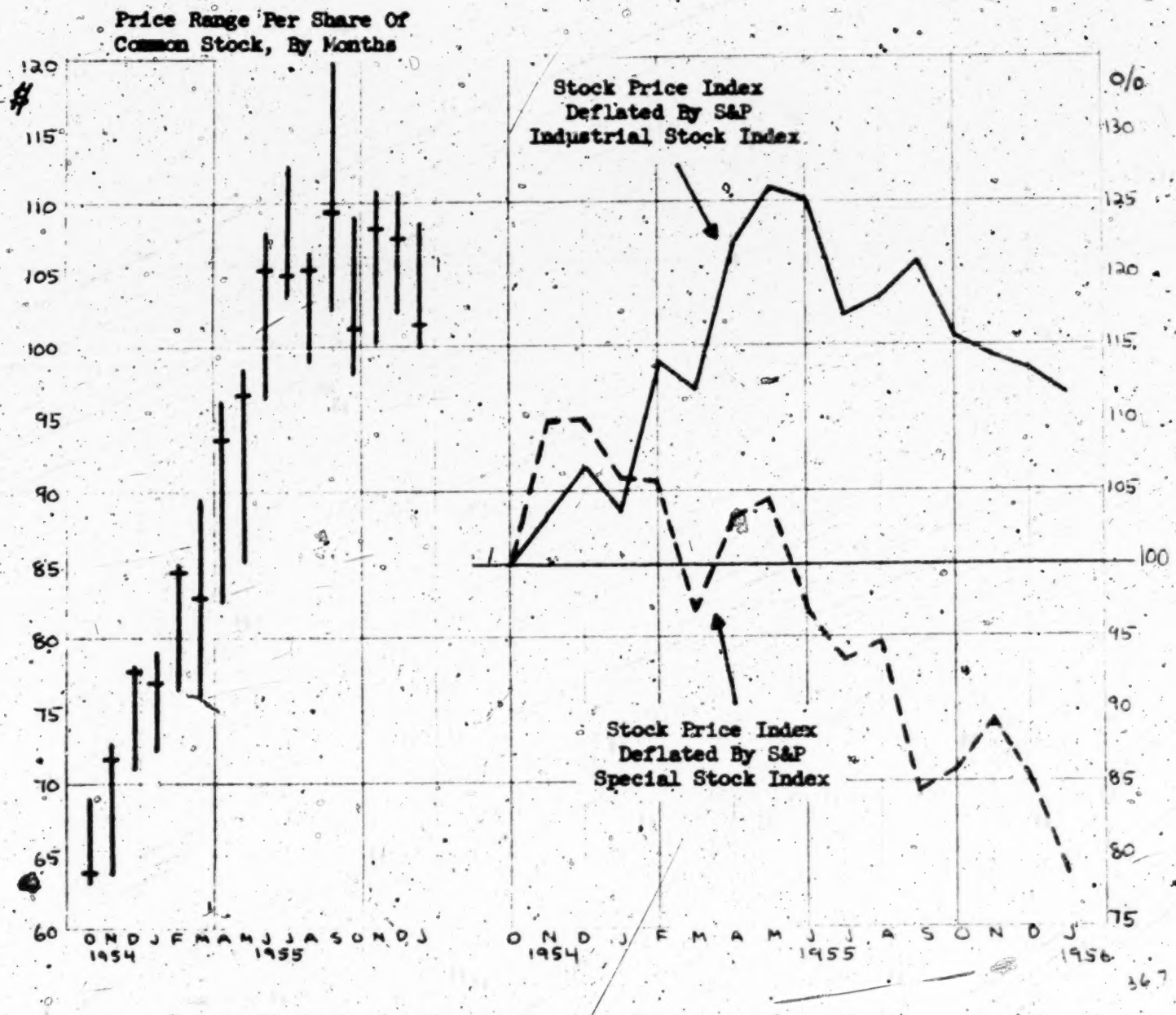
$27,826,151
818,657 Shares Common Stock

Subscription Price $34.00 (U.S.) Per Share

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Aluminum Stocks
Jan. 53	Feb. 53	- 5.60	- 1.92	- 2.34
Feb.	Mar.	- 1.48	- 2.57	- 0.16
Mar.	Apr.	- 9.78	- 2.60	- 5.99
Apr.	May	∕ 1.11	- 0.53	∕ 0.17
May	Apr. 54	∕25.82	∕16.51	∕44.17

GOVERNMENT TRIAL EXHIBIT NO. 64


Price Range Per Share Of Common Stock, By Months
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
$
%
120
115
110
105
100
95
90
85
80
75
70
65
60
130
125
120
115
110
105
100
95
90
85
80
75
O N D J F M A M J J A S O N D J
1954
1955
O N D J F M A M J J A S O N D J
1954
1955
1956

[fol. 3442]

ALUMINIUM LIMITED

Price Range of Common Stock By Months
October 1954 to January 1956

Year and Month	Price Per Share High $	Low $	Close $	Index Numbers (Oct. 1954 Equals 100) Monthly Closing Prices For Aluminium Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Aluminum Stocks
Oct. 54	69.000	63.125	64.000	100.00	100.00	100.00
Nov.	72.875	63.875	71.750	112.11	103.47	109.80
Dec.	78.000	71.000	77.750	121.48	106.67	109.85
Jan. 55	79.000	72.250	77.000	120.31	103.55	105.84
Feb.	85.000	76.500	84.500	132.03	113.95	105.69
Mar.	89.500	76.000	82.750	129.30	111.98	96.78
Apr.	96.250	32.500	93.625	146.29	121.91	103.14
May	98.500	85.250	96.750	151.17	125.94	104.46
June	108.000	96.500	105.250	164.45	125.09	96.90
July	112.500	103.500	105.000	164.06	117.01	93.43
Aug.	106.500	99.000	105.250	164.45	118.37	94.65
Sept.	119.750	102.500	109.375	170.90	120.75	84.25
Oct.	109.000	98.250	101.250	158.20	115.55	85.82
Nov.	110.875	100.250	108.250	169.14	114.39	89.23
Dec.	110.875	102.375	107.500	167.97	113.39	85.06
Jan. 56	108.500	100.000	101.500	158.59	111.67	78.64

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 4 Aluminum Stocks have been converted, for purposes of this table, to October 1954 base. The deflated index numbers state the Aluminium Ltd. stock price index as a percentage of these adjusted S&P index numbers.

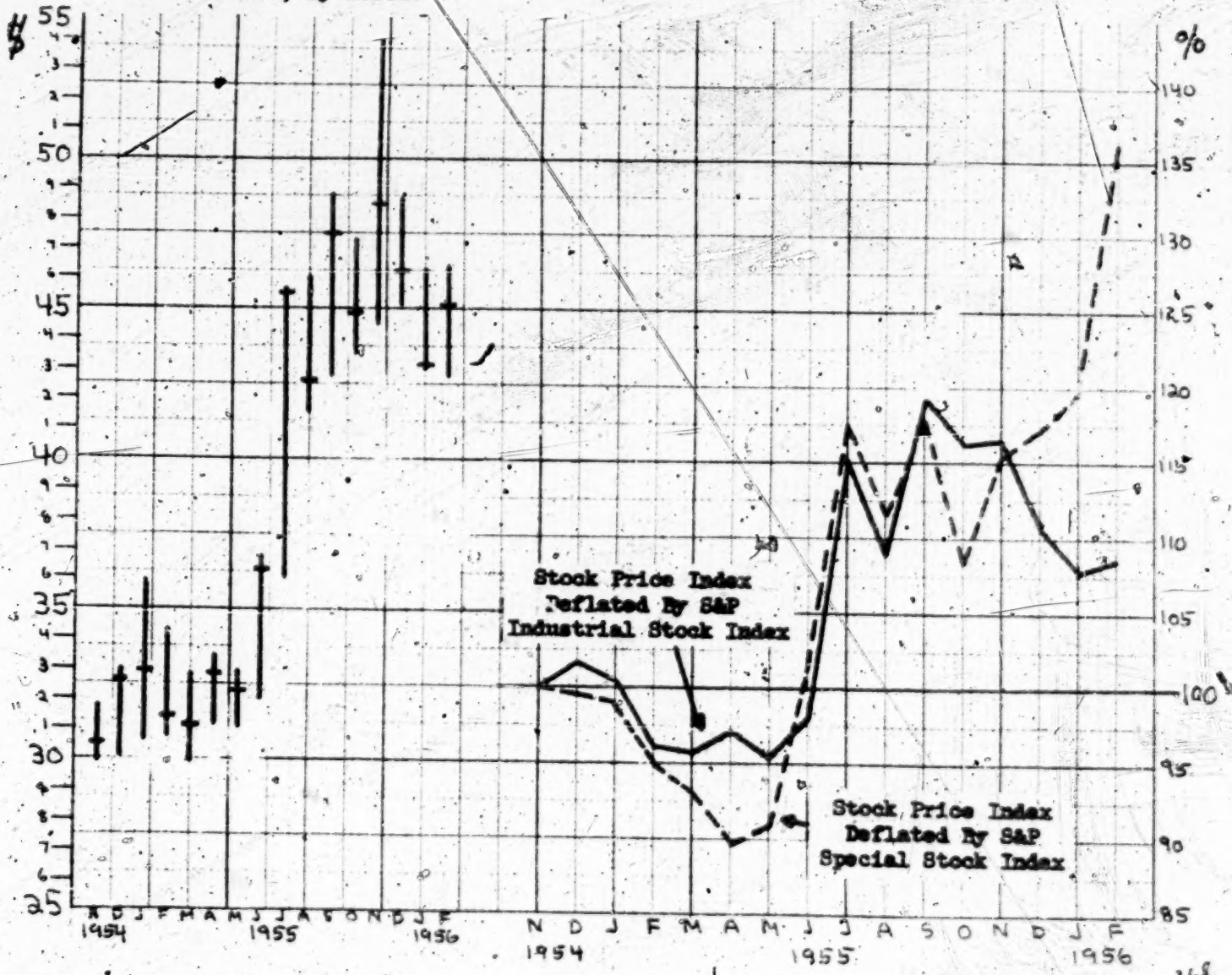
SECURITY OFFERING 1/10/55

$43,045,346
904,314 Shares Com. Stk.
Subscription Price $47.60 Per Sh. (U.S.)

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Aluminum Stocks
Oct. 54	Nov. 54	↑12.11	↑ 8.35	↑ 2.10
Nov.	Dec.	↑ 8.36	↑ 5.11	↑ 8.32
Dec.	Jan. 55	- .97	↑ 2.01	↑ 2.78
Jan. 55	Feb.	↑ 9.74	- 0.26	↑ 9.56
Feb.	Jan. 56	↑20.12	↑22.57	↑61.44

GOVERNMENT TRIAL EXHIBIT NO. 6


Price Range Per Share Of
Common Stock, By Months
$
55
50
45
40
35
30
25
%
140
135
130
125
120
115
110
105
100
95
90
85
Stock Price Index
Deflated By S&P
Industrial Stock Index
Stock Price Index
Deflated By S&P
Special Stock Index
A M J J A S O N D J F
1954
1955
1956
N D J F M A M J J A S O N D J F
1954
1955
1956

[fol. 3413]

GENERAL MOTORS CORP.

Price Range of Common Stock By Months
November 1954 to February 1956

(Adjusted to Reflect Three-For-One
Split Effective September 1955)

Year and Month	Price Per Share High	Low	Closed	(1) Stock Price	Index Numbers (Nov. 1954 Equals 100) Monthly Closing Prices Per General Motors Com. Stk Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Auto Stocks (Excluding GM)
	$	$	$			
Nov. 54	31.750	29.833	30.542	100.00	100.00	100.00
Dec.	32.916	30.125	32.625	106.82	101.63	99.60
Jan. 55	35.791	30.666	32.916	107.77	100.51	98.80
Feb.	34.291	30.750	31.416	102.86	96.18	94.99
Mar.	32.791	29.833	31.166	102.04	95.75	93.20
Apr.	33.416	31.125	32.833	107.50	97.07	89.76
May	32.916	31.041	32.291	105.72	95.43	90.97
June	36.708	32.083	36.375	119.10	98.16	101.88
July	45.666	36.083	45.541	149.11	115.22	117.50
Aug.	46.000	41.583	42.625	139.56	108.84	111.43
Sept.	48.750	42.708	47.500	155.52	119.06	117.73
Oct.	47.250	43.541	44.875	146.93	116.28	108.47
Nov.	54.000	44.500	48.500	158.79	116.36	115.37
Dec.	48.625	45.125	46.250	151.43	110.76	117.07
Jan. 56	46.250	43.000	43.125	141.20	107.73	119.61
Feb.	46.375	42.750	45.125	147.74	108.54	136.15

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 4 Auto Stocks (Excluding GM) have been converted, for purposes of this table, to November 1954 base. The deflated index numbers state the General Motors stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 2/8/55

$328,551,225
4,380,683 Shares Com. Stk.
(Equivalent to 13,142,049 Present Shares)

Subscription Price $25.00 Per Sh on Present Share Basis

Rights 1-For-20 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Auto Stocks (Excluding GM)
Nov. 54	Dec. 54	↑ 6.82	↑ 5.11	↑7.25
Dec.	Jan. 55	↑ 0.89	↑ 2.01	↑1.70
Jan. 55	Feb.	- 4.56	- 0.26	-0.73
Feb.	Mar.	- 0.80	- 0.34	↑1.11
Mar.	Feb. 56	↑44.79	↑27.73	-0.89

GOVERNMENT TRIAL EXHIBIT NO. 0

[fol. 3482] General Motors Corporation
and consolidated subsidiaries

Other Income Less Sundry Income Deductions:

Other income consists principally of dividends received and interest earned and includes the portions of prior years' bonus awards to which bonus beneficiaries lost their rights during the year in accordance with provisions of the Bonus Plan, amounting to $231,741 in 1958 and $377,511 in 1957. Sundry income deductions amounted to $18,162,170 in 1958 and $25,849,686 in 1957.

Employes Pensions:

During 1958, a total of $84,054,000 was paid to trust funds to provide non-contributory retirement benefits under the Hourly-Rate Employes Pension Plan and the Retirement Program for Salaried Employes in the United States. The costs attributable to past service benefits provided under the original plan, adopted in 1950, and by subsequent amendments thereto, are being amortized over a 30-year period from the dates such benefits were provided. In addition, a total of $19,175,676 representing contributions for future service benefits under the contributory part of the Retirement Program for Salaried Employes was paid to three insurance companies.

Payments or provisions totaling $10,932,594 were made during 1958 under separate retirement plans for employes of subsidiaries in Canada and overseas.

Subject to approval by stockholders, benefits under the non-contributory pension plan for employes in the United States will be increased. Pending such approval, the Corporation will pay amounts equal to the increases in benefits directly to retired employes. Through December 31, 1958 such payments totaled $199,132.

Accounts and Notes Receivable:

Accounts and notes receivable at December 31, 1958 include $176,775,766 of receivables from General Motors Acceptance Corporation representing principally in-transit items in connection with current financing of sales of the

Corporation's products and $11,565,972 of receivables from other subsidiary companies not consolidated.

Inventories:

Inventories are stated at the lower of cost or market, with cost being determined substantially on the first-in, first-out or the average cost basis. Physical inventories were taken at all locations at some time during the year.

Goodwill, Patents, Etc.:

The Corporation's goodwill and patents account includes a nominal amount of $1 for patents. Goodwill is recognized only in connection with the acquisition of a going business, in which case it represents the difference between the purchase price and the value ascribed to the net tangible assets acquired. The Corporation does not amortize items carried in this account.

Other Liabilities:

Other liabilities at December 31, 1958 consist of the following: unpaid instalments of bonus awards, as well as undelivered instalments of contingent credits applicable to terminated stock options, $94,188,028; accrued taxes on undistributed earnings of subsidiaries, $50,073,574; and other non-current liabilities, $61,325,841.

Bonus Awards and Contingent Credits:

The amount available in the reserve for awards under the Bonus Plan and for contingent credits under the Stock Option Plan was $49,571,185 at December 31, 1958. See page 37 for determination of the amount of the credit to the reserve for 1958 and of the amount available in the reserve at December 31, 1958. At the date of this report, the Bonus and Salary Committee has not made its final determination of bonus awards related to the year 1958 or of contingent credits to be established when stock options are granted in 1959 but has, however, tentatively determined that such awards and contingent credits shall approximate the entire amount available for such purposes, $49,571,185.

At December 31, 1958, the portions of bonus awards related to the years 1955 through 1957 and of estimated bonus

awards related to the year 1958, which are payable in cash within approximately one year, amounted to $32,560,417 and have been included in Current Liabilities. The remainder of such bonus awards, payable in cash and common stock, and the undelivered instalments of contingent credits applicable to terminated stock options, payable in common stock, amounted to $94,188,028 and have been included in Other Liabilities. Contingent credits related to outstanding stock options which were granted in 1958 and estimated contingent credits to be established when stock options are granted in 1959 amounted to $8,500,000 and have been shown as a Reserve.

Common stock in treasury at December 31, 1958 includes 932,896 shares, carried at $39,361,661, representing undelivered portions of bonus awards related to the years 1955 through 1957 and contingent credits applicable to terminated stock options, which are held for instalment delivery under provisions of the Bonus Plan and Stock Option Plan, and 122,953 shares, carried at $5,053,368, representing contingent credits related to outstanding stock options. The balance of 674,786 shares, carried at $28,501,541, consists of stock available for bonus awards related to the year 1958 and for contingent credits to be established when stock options are granted in 1959.

The consolidated balance sheet at December 31, 1958 gives effect to the payment of $28,993,762 and the delivery of 823,201 shares of common stock on January 12, 1959, representing instalments of bonus awards related to the years 1954 through 1957, which were earned out during the year 1958 in accordance with provisions of the Bonus Plan, and the first instalment of contingent credits applicable to terminated stock options.

Stock Option Plan:

Under the Stock Option Plan adopted in 1957, as more fully described on page 20 of this report, the Corporation may grant to executives, in each of the years 1958 to 1962, inclusive, options to purchase common stock of the Corporation at a price equal to the market value of such stock on the date granted; provided, however, that the aggregate [fol. 3483] number of shares of $1⅔ par value common

stock which may be sold under such options may not exceed 4,000,000 shares. On March 18, 1958, options were granted to purchase an aggregate of 369,861 shares of General Motors common stock at a price of $35.25 per share, which was the average of the highest and lowest sales prices on the New York Stock Exchange on the day the options were granted. Subsequently, options to purchase 1,002 shares were terminated and at December 31, 1958 there were outstanding options to purchase 368,859 shares. These options will first become exercisable on September 18, 1959 and will expire on March 17, 1968, with earlier termination under certain conditions. The Corporation intends to deliver newly issued stock upon the exercise of options outstanding at December 31, 1958.

The Bonus and Salary Committee has tentatively determined that approximately 250 executives will be granted stock options in 1959, but at the date of this report no such options have been granted.

Contingent Liabilities:

There are various claims against the Corporation and its consolidated subsidiaries in respect to sundry taxes, suits, patent infringements and other matters incident to the ordinary course of business, together with other contingencies. There is no way of determining the eventual liability for these claims and contingencies but, in the opinion of the management and of the general counsel, amounts included in liabilities and reserves in the financial statements of the Corporation and its consolidated subsidiaries are adequate to cover all settlements that may be made.

Foreign Operations:

Net investments of the Corporation and its consolidated subsidiaries outside the United States and Canada, after deducting the general reserve of $141,667,396 applicable to foreign operations, amounted to $330,512,578 at December 31, 1958 and are summarized in the table on the opposite page. In addition, General Motors Acceptance Corporation, a wholly-owned non-consolidated subsidiary, had total assets outside the United States and Canada at December 31, 1958 of $95,016,028. After deducting foreign

borrowings, other foreign liabilities and reserves; the related net investment of General Motors Acceptance Corporation was $8,938,025.

The general reserve applicable to foreign operations established at the end of 1954 is available to absorb any extraordinary losses which might arise from foreign operations, including the effect of major exchange revaluations and losses from discontinuing foreign operations in any locality, either voluntarily or because of conditions beyond the Corporation's control. There has been no change in this reserve since 1954.

The United States dollar equivalents of local working capital items are determined generally on the basis of the official rates of exchange. The free rates of exchange are used when such rates are significantly lower than the official rates of exchange. In the event that changes in foreign exchange rates result in a reduction in the value, as measured in dollars, of the net working capital of any foreign subsidiary or branch, the reduction becomes a charge against consolidated net income to the extent that it exceeds applicable reserves. No substantial charge against consolidated income was required in 1958 or 1957.

Certification of Financial Statements

Haskins & Sells

Certified Public Accountants
67 Broad Street
New York 4

February 12, 1959.

General Motors Corporation, its Directors and Shareholders:

We have examined the Consolidated Balance Sheet of General Motors Corporation and consolidated subsidiaries as of December 31, 1958 and 1957 and the related Statements of Consolidated Income, Consolidated Net Income Retained for Use in the Business, and Consolidated Capital Surplus for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Consolidated Balance Sheet and related Statements of Consolidated Income, Consolidated Net Income Retained for Use in the Business, and Consolidated Capital Surplus present fairly the financial position of the companies at December 31, 1958 and 1957 and the results of their operations for the years then ended, in conformity with generally accepted accounting principles consistently applied.

Haskins & Sells.

[fol. 3484] GOVERNMENT TRIAL EXHIBIT No. 692

E. I. du Pont de Nemours & Company

Established 1802

ANNUAL REPORT 1958

[fol. 3485]

E. I. Du Pont De Nemours & Company and Consolidated Subsidiaries

Consolidated Balance Sheet

Assets

	December 31 1958	1957
Current Assets		
Cash	$ 101,682,151	$ 104,267,988
Marketable Securities (Note 1-a)	202,591,342	231,323,605
Accounts and Notes Receivable:		
Trade, less reserve for doubtful accounts	172,353,979	143,997,872
Miscellaneous	10,444,699	7,673,390
	182,798,678	151,671,262
Inventories (Note 2)	244,711,744	278,728,649
Deferred Charges	12,940,639	12,315,547
Total Current Assets	744,724,554	778,307,049
Plants and Properties (at approximate cost)	1,904,082,223	734,854,757
Other Assets		
Investments in Majority-owned Companies not consolidated (Note 1-b)	28,646,701	28,316,809
Other Securities and Investments	1,350,913	1,348,358
Goodwill, Patents, Trademarks, etc	41,904,661	41,980,416
Total Other Assets	71,902,275	71,645,643
Investment in General Motors Corporation 63,000,000 Shares Common Stock (Note 1-c)	1,033,200,000	967,050,000
Total	$3,753,909,052	$3,551,857,449

See pages 3020-3023 for notes to financial statements.

GOVERNMENT TRIAL EXHIBIT No. 692—Continued

[fol. 3486]

E. I. Du Pont De Nemours & Company and Consolidated Subsidiaries

Consolidated Balance Sheet

Liabilities

	December 31 1958	1957
Current Liabilities		
Accounts Payable:		
Trade	$ 48,580,340	$ 49,547,999
Miscellaneous (Note 3-a)	46,971,868	54,215,755
	95,552,208	103,763,754
Estimated Federal Taxes on Income (Note 4)	155,100,646	236,166,326
Less—U.S. Government Securities	155,100,646	236,166,326
	—	—
Other Accrued Liabilities	33,465,446	37,987,563
Total Current Liabilities	129,017,654	141,751,317
Bonus Awarded in Cash—Payable Beyond One Year (Note 3-b)	20,835,975	25,396,069
"B" Bonus Fund—Unawarded Balance (Note 3-c)	1,192,058	632,876
Reserves		
Depreciation and Obsolescence	1,104,779,997	1,032,476,276
Insurance and Contingencies	9,494,431	9,001,970
Total Reserves	1,114,274,428	1,041,478,246
Capital Stock and Surplus		
Preferred Stock (Page 34)	238,885,000	238,885,000
Common Stock (Page 34)	228,657,640	228,021,725
Surplus (Page 33)	2,021,056,297	1,875,692,216
Total Capital Stock and Surplus	2,488,598,937	2,342,598,941
Total	$3,753,909,052	$3,551,857,449

GOVERNMENT TRIAL EXHIBIT No. 692—Continued

[fol. 3487]

E. I. Du Pont De Nemours & Company and Consolidated Subsidiaries

Statement of Consolidated Income

	1958	1957
Operating Income		
Net Sales	$1,829,249,758	$1,964,624,295
Other Operating Revenues	29,727,433	35,043,456
	1,858,977,191	1,999,667,751
Less:		
Cost of Goods Sold and Other Operating Charges	1,112,604,606	1,133,536,533
Selling, General and Administrative Expenses	201,762,711	191,217,714
Provision for:		
Depreciation and Obsolescence (Note 5)	130,789,061	121,981,786
"B" Bonus (credited to Fund)	27,533,000	34,113,000
Federal Taxes on Operating Income (Note 4)	173,820,000	253,120,000
	1,646,509,378	1,733,969,033
Operating Income—Net	212,467,813	265,698,718
Other Income		
Dividends from General Motors Corporation Common Stock	126,000,000	126,000,000
Income from Investments in Majority-owned Companies not consolidated	6,023,392	5,539,984
Miscellaneous Other Income	12,027,663	18,371,639
	144,051,056	149,911,623
Less—Provision for Federal Taxes on Other Income	15,270,000	19,000,000
Other Income—Net	128,781,056	130,911,623
Net Income for the Year	$ 341,248,869	$ 396,610,341
Earnings Per Share of Common Stock (after Preferred Dividends)	$7.25	$8.48

See pages 3020-3023 for notes to financial statements.

GOVERNMENT TRIAL EXHIBIT No. 692—Continued

[fol. 3488]

E. I. Du Pont De Nemours & Company and Consolidated Subsidiaries

Statement of Consolidated Surplus

	1958	1957
Earned Surplus		
Balance at Beginning of Year	$ 944,352,927	$ 854,047,199
Add Net Income for the year	341,248,869	396,610,341
	1,285,601,796	1,250,657,540
Less—Dividends:		
Preferred Stock		
$4.50 Series	7,599,825	7,599,825
$3.50 Series	2,450,000	2,450,000
Total Preferred Dividends	10,049,825	10,049,825
Common Stock (1958—$6.00; 1957—$6.50)	274,190,409	296,254,788
Total Dividends	284,240,234	306,304,613
Balance at end of Year	1,001,361,562	944,352,927
Paid-In Surplus		
Balance at beginning of year	92,546,934	92,546,934
Add—Adjustments arising out of disposition of common stock (Note 6)	22,205,446	—
Balance at end of year	114,752,380	92,546,934
Surplus Arising From Revaluation of Security Investments		
Balance at beginning of year	838,792,355	766,342,355
Add—Adjustment resulting from revaluation of Investment in General Motors Corporation	66,150,000	72,450,000
Balance at end of year (Notes 1 and 1-c)	904,942,355	838,792,355
Total Surplus at end of year	$2,021,056,297	$1,875,692,216

See pages 3020-3023 for notes to financial statements.

GOVERNMENT TRIAL EXHIBIT No. 692—Continued

[fol. 3489]

E. I. Du Pont De Nemours & Company and Consolidated Subsidiaries

Capital Stock

	December 31 1958	1957
Preferred Stock, without par value—cumulative		
Authorized—4,000,000 shares		
Issued and outstanding:		
$4.50 Series—1,688,850 shares	$168,885,000	$168,885,000
$3.50 Series—700,000 shares	70,000,000	70,000,000
	$238,885,000	$238,885,000
Common Stock, $5 par value (Note 6)		
Authorized—60,000,000 shares		
Issued and outstanding:		
1958, 45,731,528 shares; 1957, 45,604,345 shares	$228,657,640	$228,021,725

Notes To Financial Statements

1—Securities and Investments

a. Marketable securities consist of U.S. Government securities and commercial paper with maturity dates within eighteen months carried at amortized cost plus accrued interest, which approximates market value.

b. Investments in majority-owned companies not consolidated are stated at cost with the exception of the company's investment now represented by shares of Du Pont of Canada Limited, revaluation of which prior to 1928 resulted in $4,364,113 addition to surplus. Equity in net assets of these companies exceeded carrying value by $61,665,185 at December 31, 1958, and $58,616,891 at December 31, 1957, which amounts are not reflected in the financial statements.

[fol. 3490] c. Investment in General Motors Corporation common stock, in accordance with a practice followed since 1925, has been revalued annually to an amount which closely corresponds to the equity indicated by the consolidated balance sheet of General Motors Corporation at December 31 of the preceding year. The net additions to surplus as

a result of all such revaluations amounted to $900,578,242 at December 31, 1958, and $834,428,242 at December 31, 1957.

The current status of the U.S. Government's antitrust suit against the Du Pont Company, General Motors Corporation, and others is commented upon beginning on page 15.

2—Inventories

Inventories are valued at cost or less, not in excess of market, and consist of the following:

	December 31	
	1958	1957
Finished products	$126,821,341	$140,530,049
Semi-finished products	43,678,680	50,614,696
Raw materials and supplies	74,211,723	87,583,904
	$244,711,744	$278,728,649

3—Bonus Plans

Plans "A" and "B"

a. Accounts payable—miscellaneous includes:

At December 31, 1958—installments of bonus awarded under these Bonus Plans for years 1955 through 1958 payable in cash in 1959 and bonus awarded for 1958 in cash to be invested in new common stock of the company in 1959, in the aggregate amount of $31,645,185.

At December 31, 1957—installments of bonus awarded for years 1954 through 1957 payable in cash in 1958 and bonus awarded for 1957 in cash to be invested in new common stock of the company in 1958, in the aggregate amount of $40,000,954.

b. Bonus awarded in cash—payable beyond one year consists of:

At December 31, 1958—installments of bonus awarded for years 1956 through 1958 payable in cash in 1960, 1961 and 1962.

At December 31, 1957—installments of bonus awarded for years 1955 through 1957 payable in cash in 1959, 1960 and 1961.

[fol. 3491] c. "B" Bonus Fund—unawarded balance is available for future awards. Bonus Plan "B" provides that any unawarded portion of the "B" Bonus Fund shall

[Ml. 3444]

THE GOODYEAR TIRE & RUBBER CO.

Price Range of Common Stock By Months
April 1955 to July 1956

Year and Month	Price Per Share High	Low	Close	Index Numbers (April 1955 Equals 100) Monthly Closing Prices For Goodyear Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Tire & Rubber Stocks
Apr. 55	62.875	57.500	59.375	100.00	100.00	100.00
May	62.500	57.875	62.500	105.26	105.24	105.37
June	66.250	60.250	60.375	101.68	92.81	95.85
July	63.000	56.375	56.500	95.16	81.44	93.18
Aug.	60.000	52.500	60.000	101.05	87.29	100.47
Sept.	65.375	56.875	61.250	103.16	87.47	91.81
Oct.	61.000	55.375	58.500	98.53	86.36	92.54
Nov.	65.850	58.250	64.875	109.26	88.67	97.08
Dec.	65.375	62.625	65.000	109.47	88.68	92.73
Jan. 56	65.625	60.000	62.750	105.68	89.29	90.41
Feb.	64.750	60.125	64.000	107.79	87.70	94.55
Mar.	73.875	63.750	73.625	124.00	94.00	99.35
Apr.	75.000	67.250	72.125	121.47	92.02	97.10
May	74.000	65.750	66.500	112.00	89.46	91.95
June	72.375	65.375	72.375	121.89	95.26	102.58
July	79.750	71.750	79.375	133.68	99.20	103.51

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 5 Tire & Rubber Stocks have been converted, for purposes of this table, to April 1955 base. The deflated index numbers state the Goodyear stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 7/21/55

$45,676,550
913,531 Shares Com. Stk.

Subscription Price $50.00 Per Sh.

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Tire & Rubber Stocks
Apr. 55	May 55	+ 5.26	+ 0.02	- 0.10
May	June	- 3.40	+ 9.53	+ 6.18
June	July	- 6.42	+ 6.65	- 3.73
July	Aug.	+ 6.19	- 0.92	- 1.51
Aug.	July 56	+32.29	+16.40	+28.41

GOVERNMENT TRIAL EXHIBIT No. 646

[fol. 3445]

SPERRY RAND

Price Range of Common Stock By Months
April 1956 to July 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (Apr. 1956 Equals 100) Monthly Closing Prices Per Sperry Rand Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Office & Business Equipment Stocks
	$	$	$			
Apr. 56	29.125	26.000	26.375	100.00	100.00	100.00
May	26.625	23.625	24.500	92.89	99.98	86.83
June	25.375	23.625	24.500	92.89	95.83	81.35
July	27.375	23.625	26.750	101.42	99.35	81.08
Aug.	27.750	25.000	25.500	96.68	98.45	78.56
Sept.	25.750	23.750	24.250	91.94	98.20	79.56
Oct.	24.875	23.250	23.500	89.10	94.70	77.85
Nov.	24.750	21.750	22.375	84.83	91.26	71.32
Dec.	23.875	22.250	22.750	86.25	89.21	71.94
Jan. 57	23.625	21.875	21.875	82.94	90.43	66.65
Feb.	22.000	20.000	20.750	78.67	88.86	64.20
Mar.	21.625	20.500	20.750	78.67	86.75	62.42
Apr.	23.625	20.375	23.375	88.62	93.98	66.47
May	24.375	22.000	22.375	84.83	86.17	57.34
June	23.875	21.625	22.500	85.31	86.29	55.26
July	26.125	22.500	24.625	93.36	93.22	56.16

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Office & Business Equipment Stocks have been converted, for purposes of this table, to April 1956 base. The deflated index numbers state the Sperry Rand stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 7/9/56

$52,702,343
2,570,846 Shares Com. Stk.

Subscription Price $20.50 Per Sh.

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Office & Business Equipment Stocks
Apr. 56	May 56	- 7.11	- 7.89	- 8.38
May	June	(None)	+ 4.32	+ 6.73
June	July	+ 9.18	+ 5.32	+ 9.55
July	Aug	- 4.67	- 3.80	- 1.61
Aug.	July 57	- 3.43	+ 1.99	+35.08

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT No. 647

[fol. 3446]

NORTH AMERICAN AVIATION, INC.

Price Range of Common Stock, By Months,
June 1956 to September 1957

(Adjusted to Reflect Two-For-One
Split Effective August 1956)

Year and Month	Price Per Share High	Low	Close	Index Numbers (June 1956 Equals 100) Monthly Closing Prices For North American Aviation Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Aircraft Manufacturer Stocks
	$	$	$			
June 56	45.438	40.750	44.875	100.00	100.00	100.00
July	45.687	43.500	45.125	100.56	95.48	97.60
Aug.	48.000	43.625	45.250	100.84	99.54	90.29
Sept.	49.875	40.375	41.500	92.48	95.74	79.54
Oct.	43.125	39.625	42.875	95.54	98.42	84.09
Nov.	44.875	38.750	40.125	89.41	93.23	74.24
Dec.	43.250	38.750	38.875	86.63	86.86	67.96
Jan. 57	39.250	33.750	33.750	75.21	79.49	61.70
Feb.	33.125	29.625	29.750	66.29	72.58	58.47
Mar.	31.375	27.500	28.500	63.51	67.87	58.46
Apr.	31.750	28.750	30.375	67.69	69.58	60.13
May	34.875	30.000	31.250	69.64	68.58	61.60
June	31.500	28.625	29.000	64.62	63.36	61.90
July	29.500	24.000	25.250	56.27	54.46	57.09
Aug.	25.500	21.750	25.250	56.27	57.81	60.82
Sept.	26.375	21.875	22.375	49.86	54.68	54.86

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 9 Aircraft Manufacturer Stocks have been converted, for purposes of this table, to June 1956 base. The deflated index numbers state the North American Aviation stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 9/7/56

$43,510,418
1,145,011 Shares Com. Stk.

Subscription Price $38.00 per Sh.

Rights 1-For-6 Basis.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Aircraft Mfgr. Stocks
June 56	July 56	+ 0.56	+5.32	+ 3.03
July	Aug.	+ 0.28	-3.80	+ 8.41
Aug.	Sept.	- 8.29	-4.66	+ 4.10
Sept.	Oct.	+ 3.31	+0.49	- 2.28
Oct.	Sept. 57	-47.81	-6.07	-20.01

Price Range Per Share Of
Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 6-8

[fol. 3447]

JOHNS-MANVILLE CORP.

Price Range of Common Stock By Months
July 1956 to October 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (July 1956 Equals 100) Monthly Closing Prices For Johns-Manville Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Roofing & Wallboard Stocks
	$	$	$			
July 56	56.375	50.250	55.750	100.00	100.00	100.00
Aug.	57.375	53.000	55.375	99.33	103.25	96.83
Sept.	56.500	49.000	49.000	87.89	95.83	93.71
Oct.	48.500	43.125	46.000	82.51	89.52	92.90
Nov.	49.375	45.000	46.250	82.96	91.11	98.67
Dec.	49.750	46.125	49.000	87.89	92.81	104.72
Jan. 57	49.250	45.875	48.875	87.67	97.58	105.30
Feb.	48.750	43.250	46.250	82.96	95.66	103.60
Mar.	48.250	45.500	47.250	84.75	95.40	105.02
Apr.	49.375	45.875	47.625	85.42	92.47	106.10
May	52.125	46.500	50.375	90.36	93.71	106.24
June	51.500	47.750	47.750	85.65	88.44	96.69
July	52.250	45.000	46.875	84.08	85.70	93.45
Aug.	46.500	39.750	41.750	74.89	81.04	90.10
Sept.	43.000	39.250	41.000	73.54	84.95	89.04
Oct.	43.250	36.750	39.625	71.08	84.98	86.44

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P Monthly average Stock Price Index for 7 Roofing & Wallboard Stocks have been converted, for purposes of this table, to July 1956 base. The deflated index numbers state the Johns Manville stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 10/1/56

$25,947,840
648,696 Shares Com. Stk.
Subscription Price $40.00 Per Share
Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Stock Price Index Industrials	(3) Roofing and Wallboard Stks.
July 56	Aug. 56	- .67	-3.80	+2.59
Aug.	Sept.	-11.51	-4.66	-8.57
Sept.	Oct.	- 6.12	+ .49	-5.30
Oct.	Nov.	+ .54	+1.21	-5.34
Nov.	Oct. 57	-14.33	-8.14	-2.20

Price Range Per Share Of Common Stock, By Months.

GOVERNMENT TRIAL EXHIBIT No. 649

[fol. 3448]

ARMCO STEEL CORP.

Price Range of Common Stock By Months
October 1956 to January 1958

Year and Month	High	Low	Close	Index Numbers (Oct. 1956 Equals 100) Monthly Closing Prices For Armco Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Steel Stocks
	$	$	$			
Oct. 56	65.000	57.000	64.000	100.00	100.00	100.00
Nov.	67.750	64.000	66.000	103.13	104.39	100.27
Dec.	65.500	59.625	64.500	100.78	98.08	92.97
Jan. 57	65.500	54.750	57.000	89.06	91.36	85.82
Feb.	56.750	51.125	55.000	85.94	91.34	90.91
Mar.	56.500	52.750	55.875	87.30	90.57	94.27
Apr.	57.875	53.500	55.500	86.72	86.52	89.35
May	57.375	53.500	56.875	88.87	84.95	89.00
June	58.875	55.250	57.375	89.65	85.32	87.13
July	59.750	56.125	56.250	87.89	82.57	81.98
Aug.	56.250	51.750	54.625	85.35	85.12	85.09
Sept.	56.500	52.250	52.875	82.62	87.96	85.99
Oct.	55.000	44.000	48.500	75.78	83.50	86.66
Nov.	48.250	44.250	46.250	72.27	78.42	88.46
Dec.	46.250	39.625	43.125	67.38	76.62	88.95
Jan. 58	47.500	43.125	46.000	71.88	78.66	87.74

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 11 Steel Stocks have been converted, for purposes of this table, to October 1956 base. The deflated index numbers state the Armco stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 1/10/57

$60,938,024
1,088,179 Shares Com. Stk.
Subscription Price $56.00 Per Sh.

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Steel Stocks
Oct. 56	Nov. 56	+ 3.13	-1.21	+ 2.85
Nov.	Dec.	- 2.27	+4.01	+ 5.41
Dec.	Jan. 57	-11.63	-5.13	- 4.26
Jan. 57	Feb.	- 3.51	-3.47	- 8.92
Feb.	Jan. 58	-16.36	-2.88	-13.34

GOVERNMENT TRIAL EXHIBIT NO. 650

[fol. 3449]

SOCONY MOBIL OIL CO.

Price Range of Common Stock By Months
October 1956 to January 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Oct. 1956 Equals 100) Monthly Closing Prices Per Socony Mobil Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Integrated Int'l. Oil Stocks
	$	$	$			
Oct. 56	56.500	50.750	52.000	100.00	100.00	100.00
Nov.	56.000	50.000	51.625	99.27	100.49	100.52
Dec.	55.250	51.000	55.000	105.77	102.94	102.15
Jan. 57	56.000	50.875	51.250	98.55	101.10	93.58
Feb.	51.625	47.375	51.000	98.07	104.23	97.23
Mar.	54.625	50.875	54.375	104.56	108.48	99.01
Apr.	59.500	54.250	57.375	110.33	110.08	99.51
May	60.000	57.125	59.750	114.90	109.83	97.36
June	62.375	58.250	60.250	115.86	110.87	93.07
July	65.375	59.625	60.625	116.58	109.53	91.74
Aug.	61.625	52.250	56.375	108.41	108.12	91.52
Sept.	56.875	51.000	52.250	100.48	106.97	86.88
Oct.	54.250	47.000	49.750	95.67	105.42	91.60
Nov.	50.500	45.250	50.375	96.87	105.11	98.80
Dec.	50.375	45.125	47.500	91.34	103.87	93.79
Jan. 58	49.875	44.500	49.250	94.71	103.64	98.10

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Integrated Int'l. Oil Stocks have been converted, for purposes of this table, to October 1956 base. The deflated index numbers state the Socony stock price index as a percentage of these adjusted S&P index numbers.

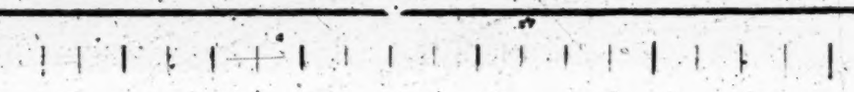
SECURITY OFFERING 1/30/57

$199,278,989
4,379,758 Shares Com. Stk.
Subscription Price $45.50 Per Share

Rights 1-For-10 Basis

From	To	Per Cent Change In Monthly Closing Figures S&P Stock Price Index (1) Stock Price	(2) Industrials	(3) Integrated Int'l. Oil Stocks
Oct. 56	Nov. 56	- .72	-1.21	-1.24
Nov.	Dec.	⁄6.54	⁄4.01	⁄4.84
Dec.	Jan. 57	-6.82	-5.13	⁄1.80
Jan. 57	Feb.	- .49	-3.47	-4.31
Feb.	Jan. 58	-3.43	-2.88	-4.29

Price Range Per Share Of Common Stock. By Months



GOVERNMENT TRIAL EXHIBIT No. 651

[fol. 3450]

ANACONDA CO.

Price Range of Common Stock By Months
November 1956 to February 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Nov. 1956 Equals 100) Monthly Closing Prices Per Anaconda Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Copper Stocks
	$	$	$			
Nov. 56	80.500	70.000	73.375	100.00	100.00	100.00
Dec.	75.125	72.000	72.000	98.12	94.34	100.27
Jan. 57	72.875	66.750	68.125	92.84	94.09	101.07
Feb.	68.000	57.750	60.375	82.28	86.39	100.77
Mar.	64.250	60.375	63.250	86.20	88.35	101.00
Apr.	68.500	63.250	67.250	91.65	90.34	103.04
May	67.375	63.500	65.000	88.58	83.64	102.23
June	70.000	64.625	66.250	90.29	84.90	105.38
July	69.375	65.250	66.250	90.29	83.80	106.59
Aug.	66.375	53.000	54.875	74.78	73.68	98.55
Sept.	55.250	48.750	50.625	68.99	72.56	99.27
Oct.	52.250	40.125	46.500	63.37	68.99	96.79
Nov.	48.000	42.000	44.625	60.81	65.18	97.37
Dec.	44.625	39.250	40.125	54.68	61.43	93.63
Jan. 58	44.375	40.000	44.250	60.39	65.19	104.13
Feb.	45.875	40.000	40.375	55.02	60.90	92.64

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 7 Copper Stocks have been converted, for purposes of this table, to November 1956 base. The deflated index numbers state the Anaconda stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 2/14/57

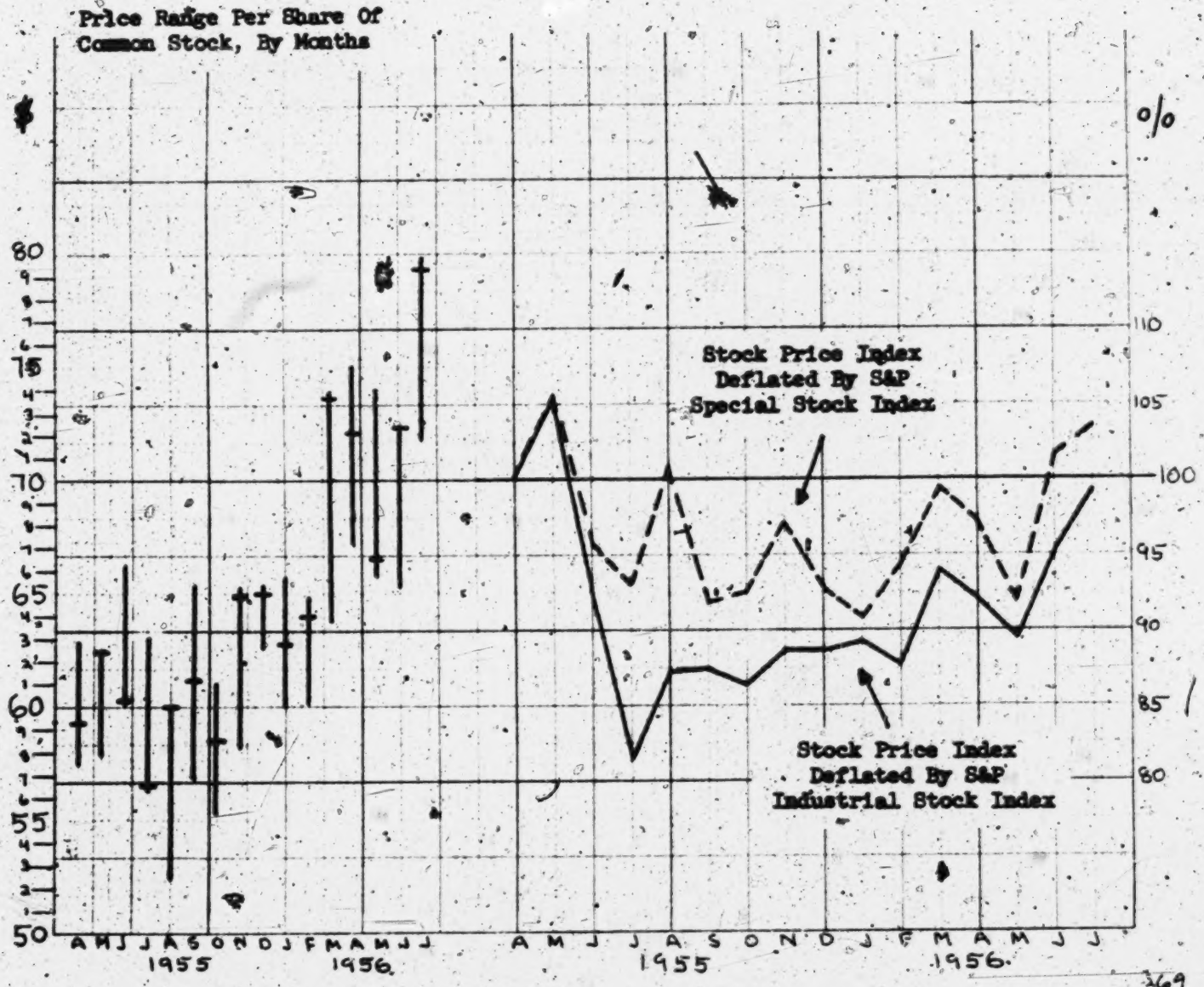
$86,743,250
1,734,865 Shares Com. Stk.
Subscription Price $50.00 Per Share

Rights 1-For-5 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Copper Stocks
Nov. 56	Dec. 56	- 1.87	-4.01	-2.14
Dec.	Jan. 57	- 5.38	-5.13	-6.13
Jan. 57	Feb.	-11.38	-3.47	-11.12
Feb.	Mar.	+ 4.76	+2.44	+4.53
Mar.	Feb. 58	-36.17	-7.41	-30.41

Price Range Per Share Of
Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 652


Price Range Per Share Of
Common Stock, By Months
80
75
70
65
60
55
50
A M J J A S O N D J F M A M J J
1955
1956
o/o
110
105
100
95
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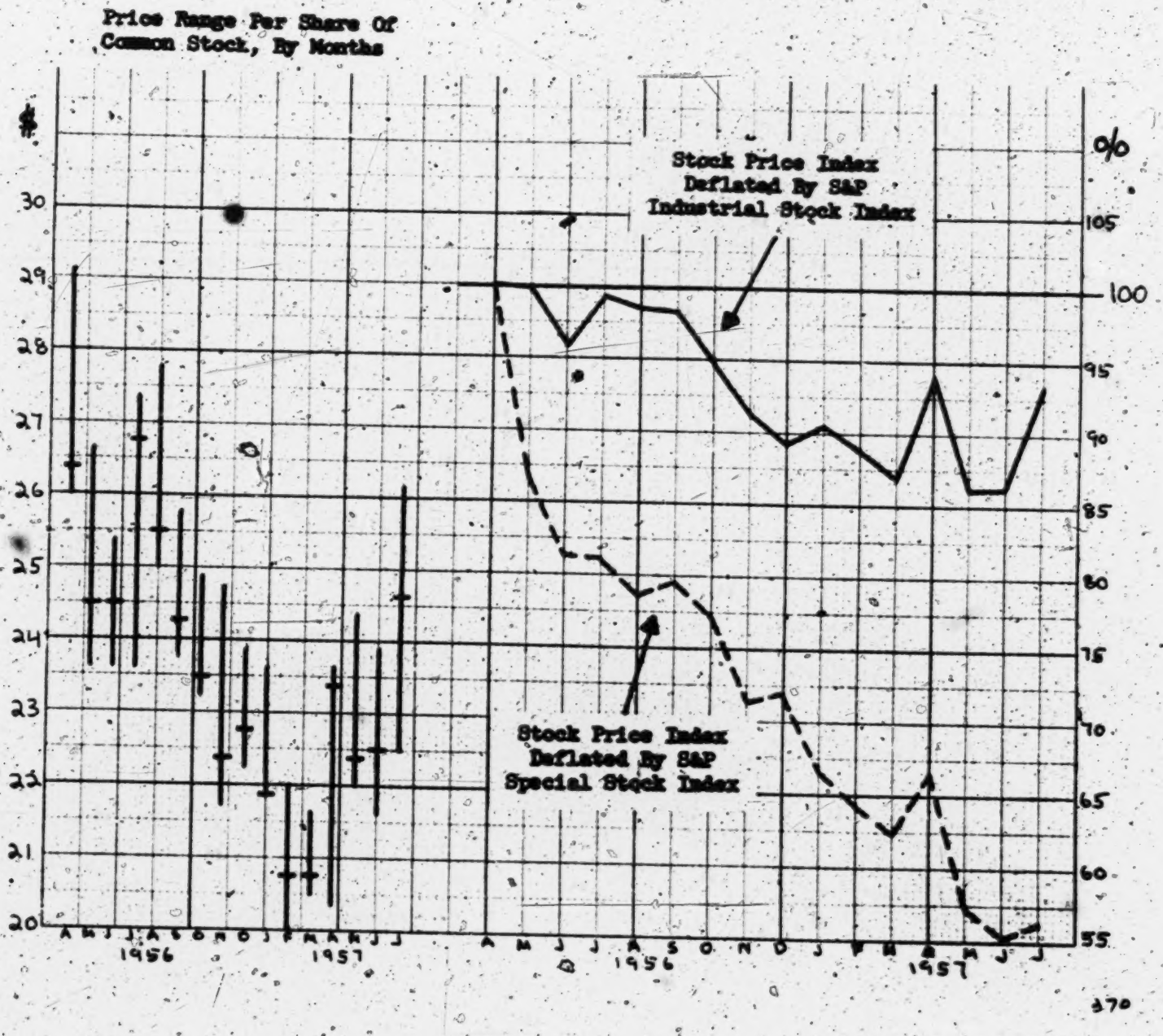
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
A M J J A S O N D J F M A M J J
1955
1956

369


Price Range Per Share Of Common Stock, By Months
$
30
29
28
27
26
25
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23
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21
20
A M J J A S O N D J F M A M J
1956
1957
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
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100
95
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75
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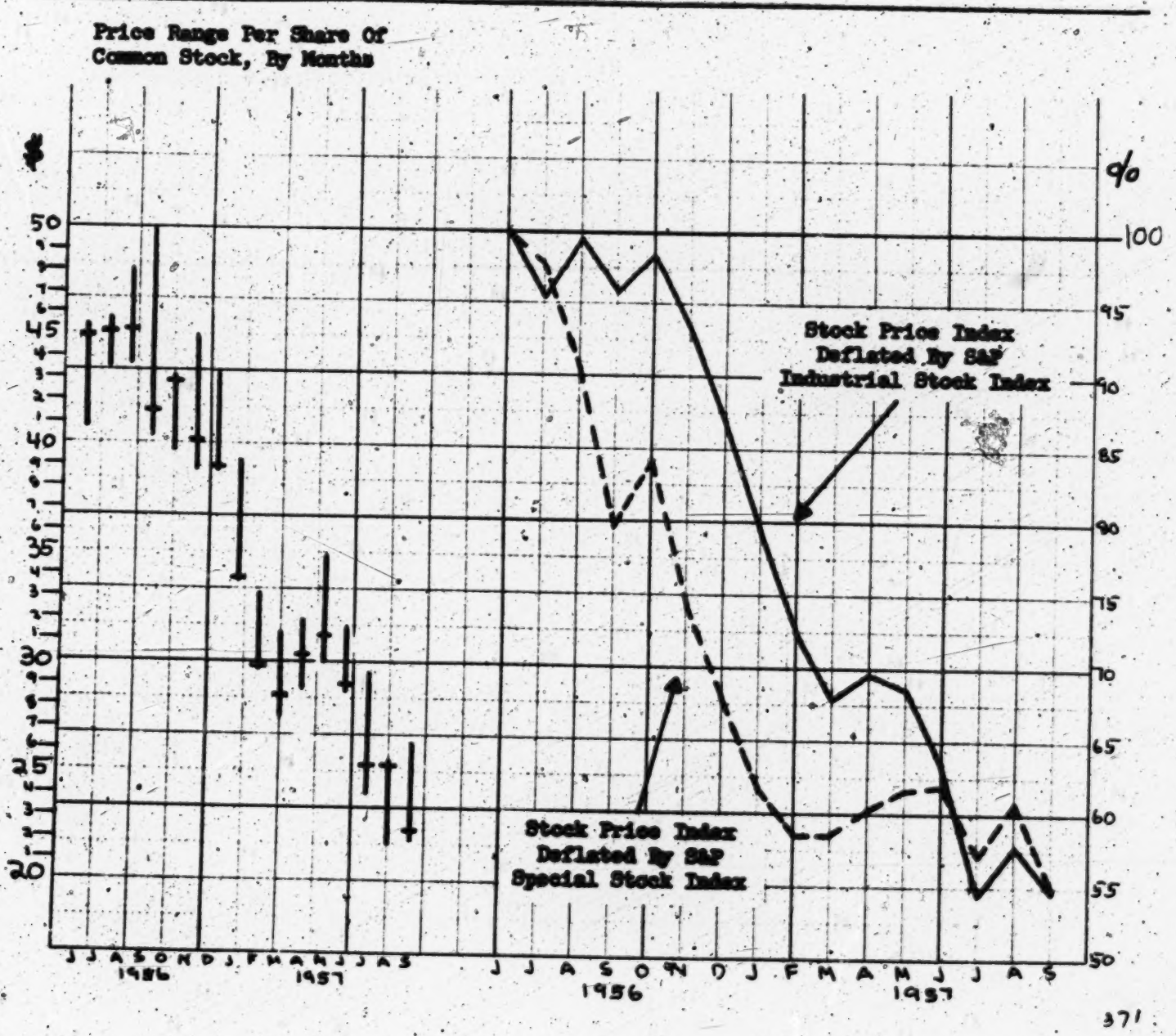
A M J J A S O N D J F M A M J J
1956
1957


Price Range Per Share Of Common Stock, By Months
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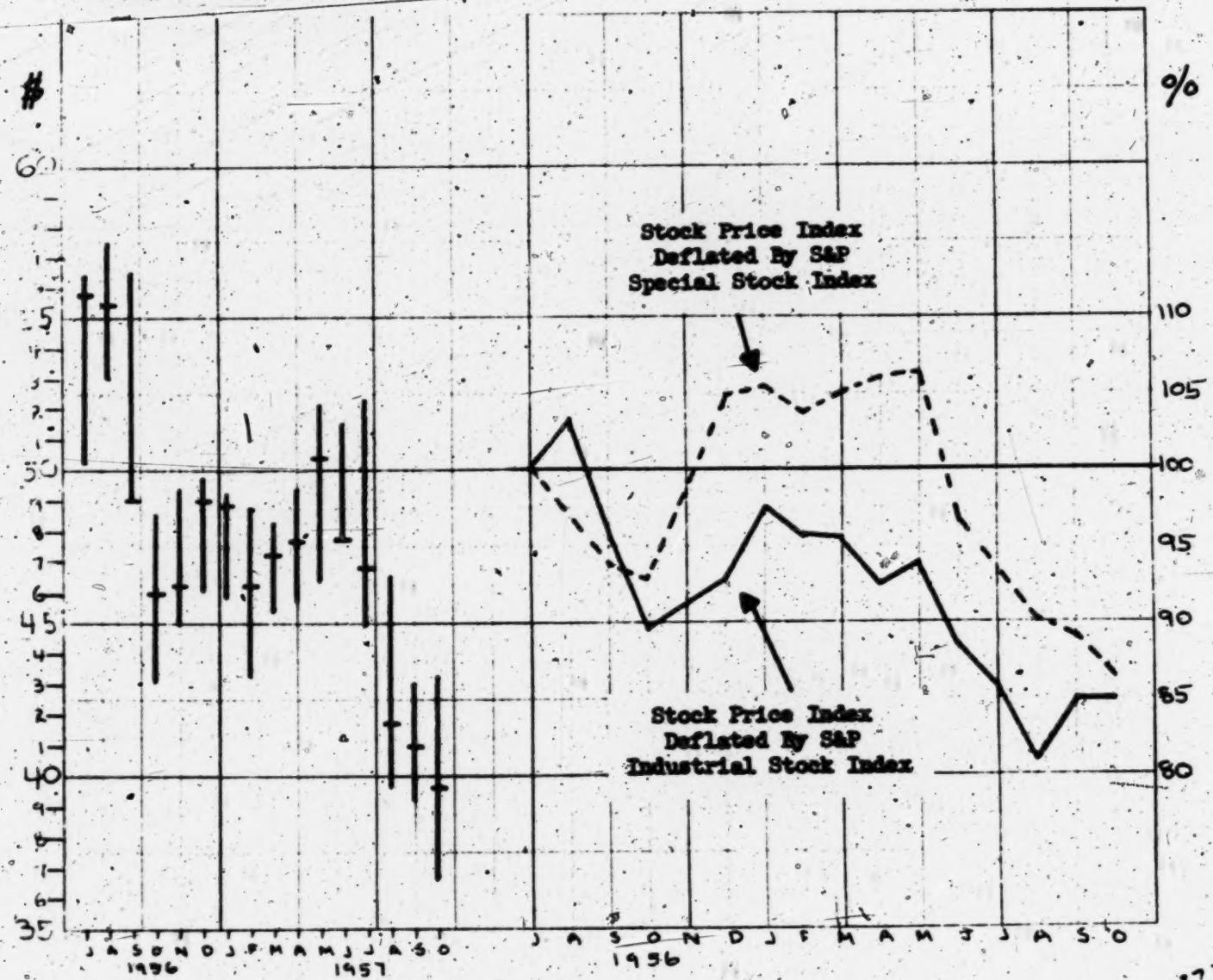
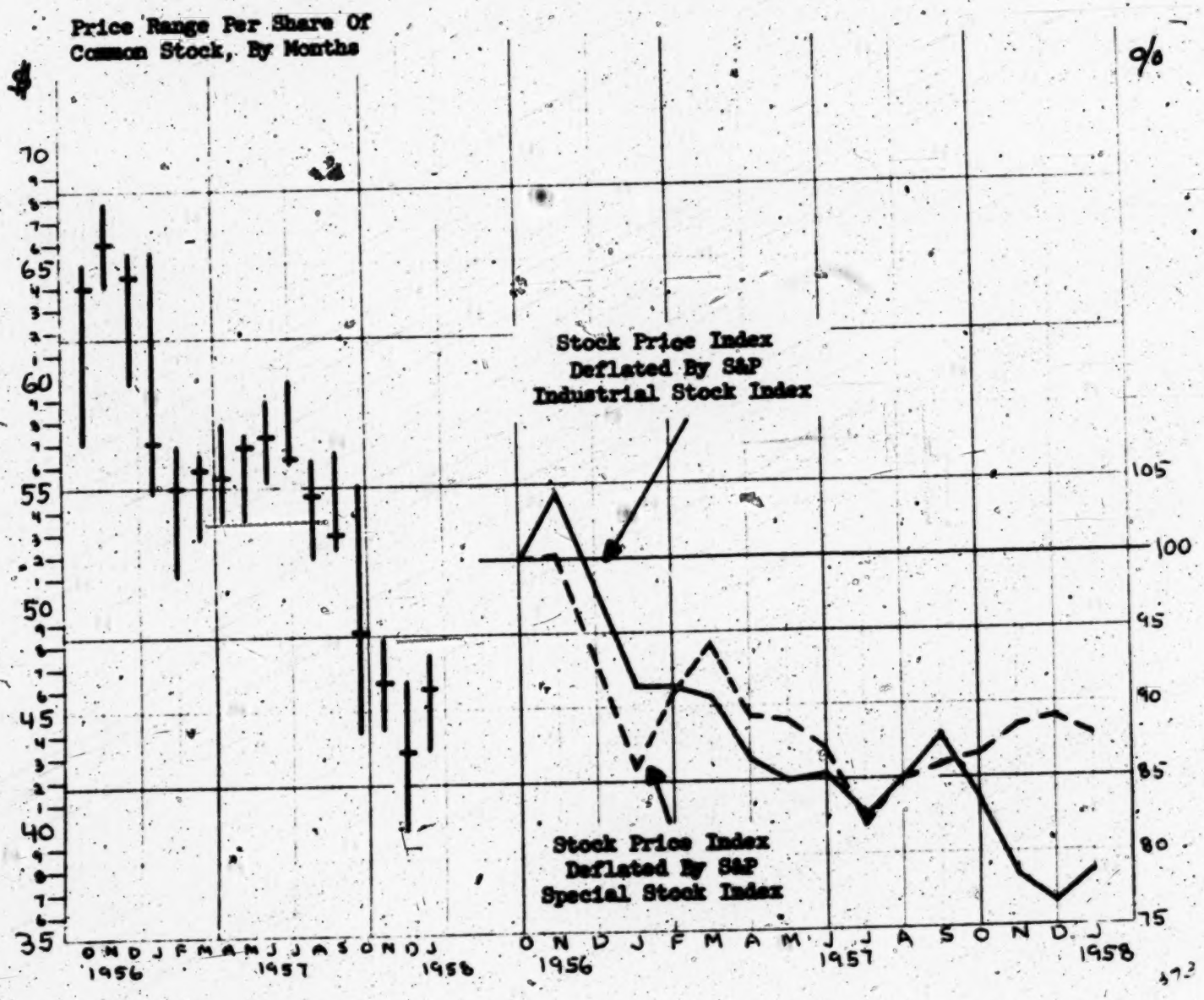
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
J J A S O N D J F M A M J J A S
1956
1957
J J A S O N D J F M A M J J A S
1956
1957

371

23971

Price Range Per Share Of
Common Stock, By Months.




Price Range Per Share Of Common Stock, By Months
$
%
70
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Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
O N D J F M A M J J A S O N D J
1956
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1958
O N D J F M A M J J A S O N D J
1956
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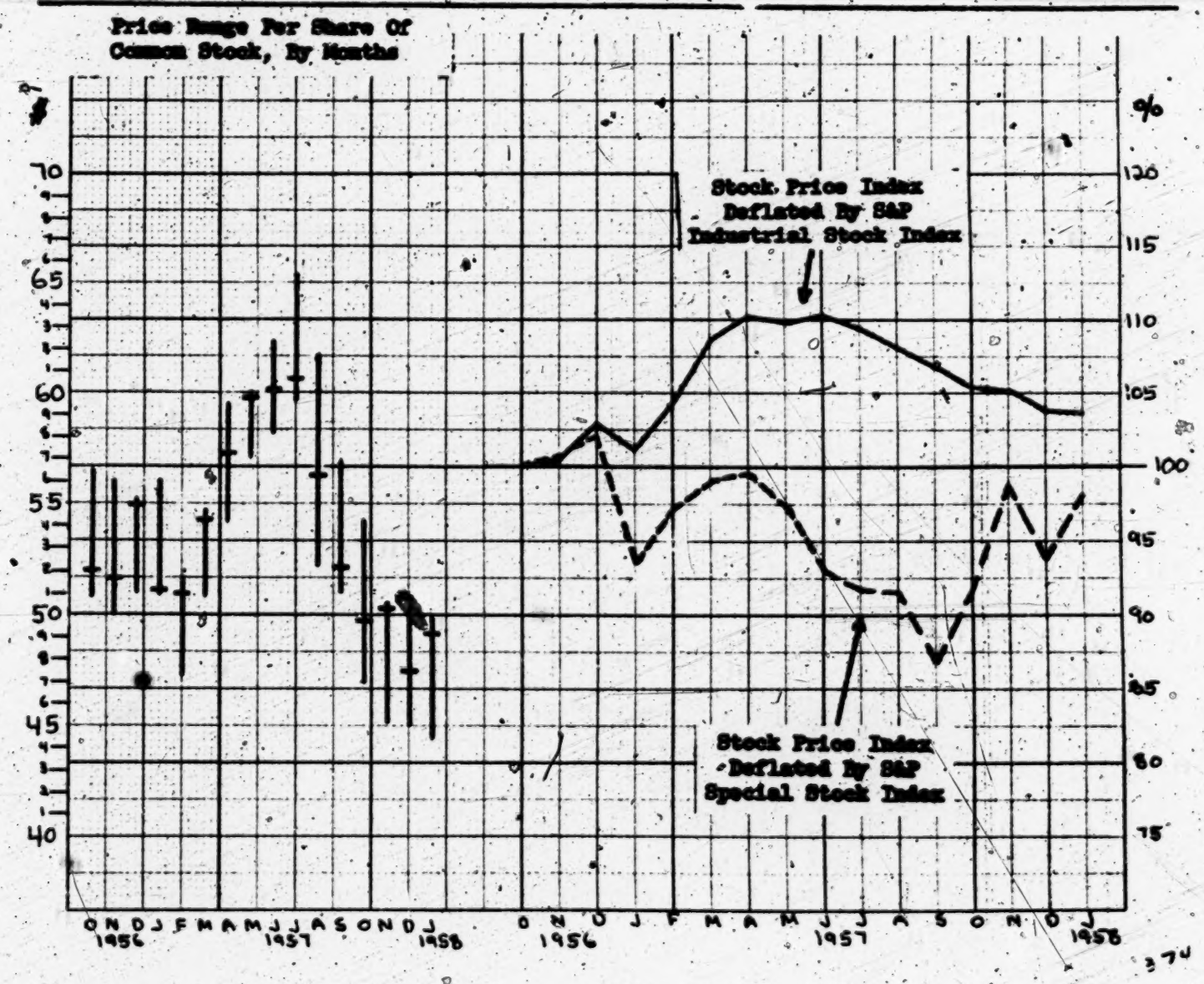
1958


Price Range Per Share Of Common Stock, By Months
$
70
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50
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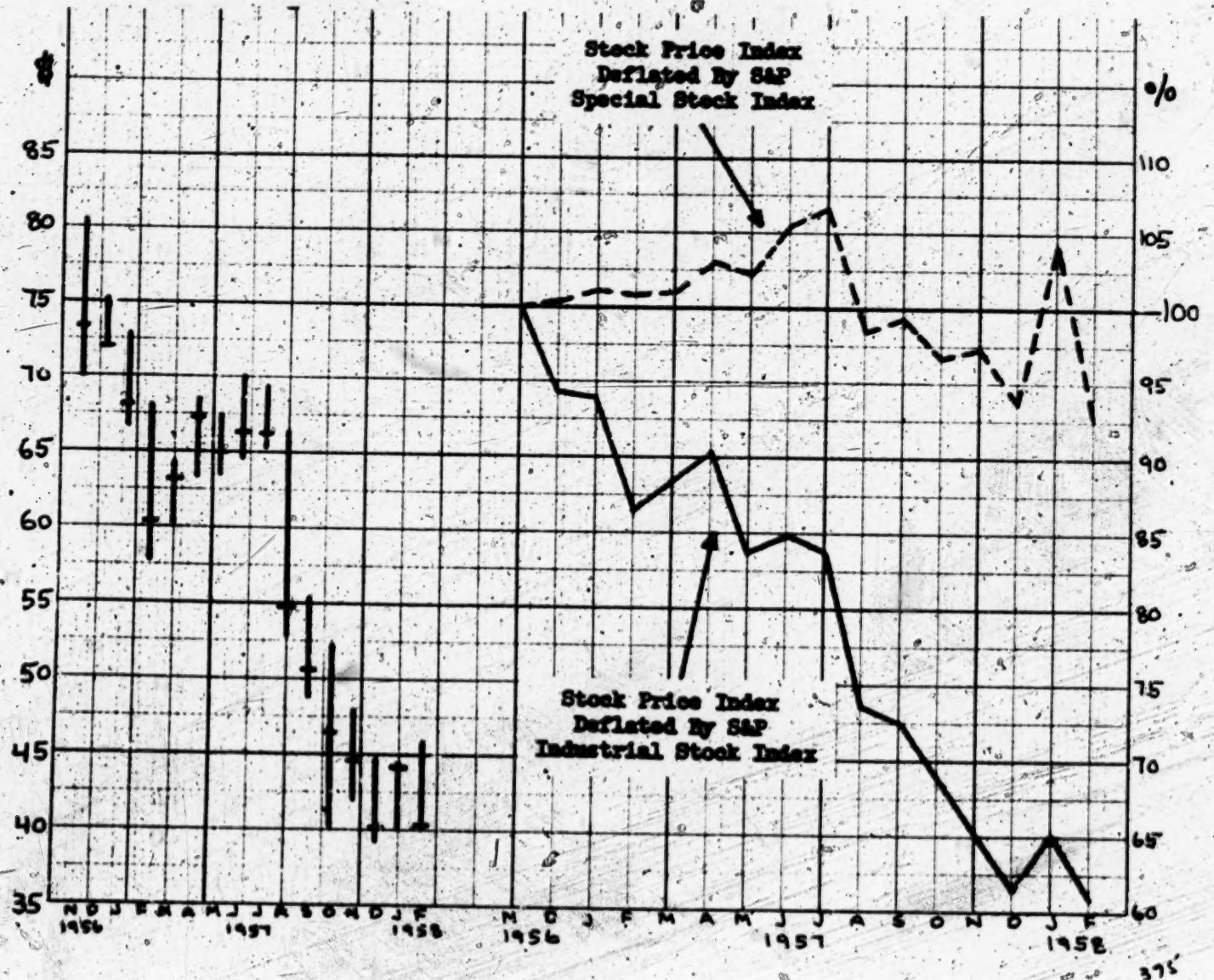
40
%
120
115
110
105
100
95
90
85
80
75
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
O N D J F M A M J J A S O N D J
1956
1957
1958
O N D J F M A M J J A S O N D J
1956
1957
1958

Price Range Per Share Of
Common Stock, By Months



[fol. 3451]

INTERNATIONAL BUSINESS MACHINES CORP.

Price Range of Common Stock By Months
February 1957 to May 1958

(Adjusted to Reflect Two-For-One
Split Effective May 7, 1957)

Year and Month	Price Per Share High	Low	Close	(1) Stock Price	Index Numbers (Feb. 1957 Equals 100) Monthly Closing Prices For International Business Machines Common Stock Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Office Equipment 5th (Exclusive of IBM)
	$	$	$			
Feb. 57	267.500	249.000	254.250	100.00	100.00	100.00
Mar.	265.000	254.000	259.750	102.16	99.73	95.74
Apr.	289.000	259.000	286.000	112.49	105.60	100.38
May	345.500	287.500	294.500	115.83	104.18	93.80
June	336.000	293.250	331.000	130.19	116.60	97.98
July	376.500	332.500	336.500	132.35	117.00	100.25
Aug.	341.000	293.000	316.000	124.29	116.64	104.56
Sept.	319.750	299.750	300.500	118.19	118.40	104.03
Oct.	306.000	270.500	298.500	117.40	121.73	110.60
Nov.	310.000	289.000	310.000	121.93	124.48	124.43
Dec.	319.875	292.500	305.000	119.96	128.35	123.61
Jan. 58	324.000	300,000	321.500	126.45	130.20	127.20
Feb.	340.125	321.000	328.500	129.20	136.22	126.33
Mar.	351.750	328.750	346.000	136.09	138.91	130.19
Apr.	354.000	332.000	351.000	138.05	136.98	134.59
May	357.000	347.000	348.750	137.17	134.10	122.30

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 5 Office Equipment Stocks (Exclusive of IBM) have been converted, for purposes of this table, to February 1957 base. The deflated index numbers state the IBM stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 5/21/57

$231,049,060
1,050,223 Shares Com. Stk.

Subscription Price $220.00 Per Share

Rights 1-For-10 Basis

Price Range Per Share Of Common Stock, By Months

From	To	(1) Stock Price	Per Cent Change In Monthly Closing Figures S&P Stock Price Index (2) Industrials	(3) Office Equipment Stocks (Exclusive of IBM)
Feb. 57	Mar. 57	↑ 2.16	↑ 2.44	↓6.72
Mar.	Apr.	↑10.11	↑ 3.98	↑5.01
Apr.	May	↑ 2.97	↑ 4.38	↓10.19
May	June	↓12.39	↓ .43	↓7.61
June	May 58	↓ 5.36	- 8.40	-15.59

%

GOVERNMENT TRIAL EXHIBIT No. 653

[fol. 3452]

MINNEAPOLIS-HONEYWELL REGULATOR CO.

Price Range of Common Stock
April 1957 to July 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Apr. 1957 Equals 100) Monthly Closing Prices For Minneapolis-Honeywell Com. Stk. (1) Stock Price	(2) Stock Price Deflated By S&P Industrials 1/
	$	$	$		
Apr. 57	94.500	85.750	93.750	100.00	100.00
May	98.500	92.250	98.500	105.07	100.66
June	115.000	97.500	106.500	113.60	108.37
July	131.000	107.500	110.500	117.87	110.99
Aug.	111.750	91.000	95.625	102.00	101.96
Sept.	96.500	83.500	86.875	92.67	98.88
Oct.	89.500	78.125	81.500	86.94	96.02
Nov.	92.000	78.500	92.000	98.14	106.72
Dec.	94.500	80.250	83.500	89.07	101.52
Jan. 58	83.750	76.000	82.000	87.47	95.93
Feb.	85.375	78.250	80.000	85.34	95.83
Mar.	88.750	80.500	85.250	90.94	98.87
Apr.	86.250	81.750	85.500	91.20	96.38
May	90.500	83.500	89.750	95.74	99.70
June	92.250	87.750	90.500	96.54	97.88
July	99.750	88.250	97.000	103.47	100.33

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) have been converted, for purposes of this table, to April 1957 base. The deflated index numbers state the Minneapolis-Honeywell stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 7/16/57

$28,155,145
331,237 Shs. Com. Stk.

Subscription Price $85.00 Per Share

Rights 1-For-20 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Industrial Stock Price Index
Apr. 57	May 57	↑ 5.07	↑ 4.38
May	June	↑ 8.12	↑ 0.43
June	July	↑ 3.76	↑ 1.31
July	Aug.	-13.46	- 5.80
Aug.	July 58	↑ 1.44	↑ 3.09

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT No. 654

[fol. 3452]

STANDARD OIL CO. (NEW JERSEY)

Price Range of Common Stock Indicating August 1957 to November 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Aug. 1957 Equals 100) Monthly Closing Prices For Standard Oil Co. (New Jersey) Common Stock (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Integrated Int'l. Oil Co. Stocks
	$	$	$			
Aug. 57	67.000	60.000	63.375	100.00	100.00	100.00
Sept.	64.125	56.000	56.375	88.95	94.95	91.09
Oct.	58.750	50.375	53.625	84.61	93.49	95.95
Nov.	53.000	47.625	51.500	81.26	88.40	98.16
Dec.	51.750	48.125	49.875	78.70	89.74	95.72
Jan. 58	51.875	48.750	50.875	80.28	88.08	98.50
Feb.	51.750	47.500	48.250	76.13	85.53	95.66
Mar.	51.750	48.250	51.500	81.26	88.38	98.63
Apr.	55.625	50.625	55.500	87.57	92.59	102.07
May	55.875	52.375	53.375	84.22	87.74	96.70
June	55.375	53.000	55.125	86.98	88.22	97.12
July	55.500	51.250	54.250	85.60	83.03	96.53
Aug.	57.125	54.125	55.750	87.97	84.17	97.92
Sept.	58.375	55.250	58.250	91.91	83.80	100.76
Oct.	60.125	56.250	58.375	92.11	82.01	95.96
Nov.	60.250	56.750	58.875	92.90	81.02	93.36

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Integrated International Oil Company Stocks have been converted, for purposes of this table, to August 1957 base. The deflated index numbers state the Standard Oil Co. (N.J.) stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 11/8/57

$268,161,456
6,549,124 Shares Com. Stk.

Subscription Price $44.00 Per Share

Rights 1-For-30 Basis

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Integrated Int'l. Oil Co. Stocks
Aug. 57	Sept. 57	-11.05	- 6.32	- 2.35
Sept.	Oct.	- 4.88	- 3.39	- 9.70
Oct.	Nov.	- 3.96	/ 1.56	- 6.12
Nov.	Dec.	- 3.16	- 4.59	- 0.68
Dec.	Nov. 58	/18.05	/30.75	/21.03

GOVERNMENT TRIAL EXHIBIT NO. 635

[fol. 3454]

A. T. & T.

Price Range of Common Stock By Months
June 1956 to September 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (June 1956 Equals 100) Monthly Closing Prices For A. T. & T. Com. Stk. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Telephone Stocks (Exclusive of AT&T)
	$	$	$			
June 56	182.375	176.375	180.000	100.00	100.00	100.00
July	184.625	179.625	184.625	102.57	97.39	100.85
Aug.	185.000	181.750	182.750	101.53	100.22	100.06
Sept.	184.625	169.000	169.125	93.96	97.28	98.10
Oct.	170.000	165.000	166.250	92.36	95.15	96.80
Nov.	171.000	166.500	169.625	94.24	98.27	98.27
Dec.	172.500	167.250	171.375	95.21	95.46	100.70
Jan. 57	177.500	170.500	176.750	98.19	103.77	101.93
Feb.	178.000	173.750	177.375	98.54	107.89	101.20
Mar.	179.875	176.000	177.750	98.75	105.54	99.42
Apr.	178.250	177.000	177.750	98.75	101.50	98.39
May	179.500	177.125	179.500	99.72	98.20	95.34
June	179.625	170.500	173.750	96.53	94.65	93.17
July	176.250	172.625	173.500	96.39	93.29	93.69
Aug.	174.625	171.750	174.500	96.94	99.60	96.71
Sept.	174.625	167.875	168.125	93.40	102.43	97.58

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 3 Telephone Stocks (exclusive of AT&T) have been converted, for purposes of this table, to June 1956 base. The deflated index numbers state the A.T.& T. stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 9/14/56

$572,615,200
5,726,152 Shares Com. Stk.

Subscription Price $100.00 Per Share

Rights 1-For-10 Basis.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Telephone Stocks (exclusive of AT&T)
June 56	July 56	↑2.57	↑5.32	↑1.71
July	Aug.	-1.02	-3.80	-0.24
Aug.	Sept.	-7.46	-4.66	-5.61
Sept.	Oct.	-1.70	↑0.49	-0.38
Oct.	Sept. 57	↑1.13	-6.07	↑0.32

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 656

[fol. 3455]

JONES & LAUGHLIN STEEL CORP.

Price Range of Common Stock By Months
December 1950 to March 1952

(Adjusted to Reflect Two-For-One
Split Effective January 1951)

Year and Month	Price Per Share			Index Numbers (Dec. 1950 Equals 100) Monthly Closing Prices Per Jones & Laughlin Com.St Stock Price Deflated By: 1/		
	High	Low	Close	(1) Stock Price	(2) S&P Industrials	(3) S&P Steel Stocks
	$	$	$			
Dec. 50	25.313	21.688	25.000	100.00	100.00	100.00
Jan. 51	31.625	25.063	30.500	122.00	114.86	110.16
Feb.	30.875	27.500	27.750	111.00	103.79	98.92
Mar.	28.250	25.000	25.750	103.00	97.86	98.03
Apr.	27.375	25.375	26.750	107.00	96.28	100.48
May	27.250	23.500	24.250	97.00	91.44	93.07
June	24.250	21.375	21.750	87.00	84.14	89.02
July	24.500	21.625	24.000	96.00	86.69	98.93
Aug.	25.250	24.000	25.000	100.00	86.47	97.67
Sept.	25.875	24.375	24.625	98.50	85.46	91.73
Oct.	25.750	23.000	24.375	97.50	85.78	91.32
Nov.	24.625	23.125	23.750	95.00	83.94	94.89
Dec.	24.375	23.000	24.125	96.50	81.89	96.19
Jan. 52	25.500	23.625	24.500	98.00	82.18	97.06
Feb.	24.875	22.750	23.000	92.00	80.63	94.77
Mar.	24.375	22.375	23.500	94.00	78.48	98.26

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 11 Steel Stocks have been converted, for purposes of this table, to December 1950 base. The deflated index numbers state the Jones & Laughlin stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 3/28/51

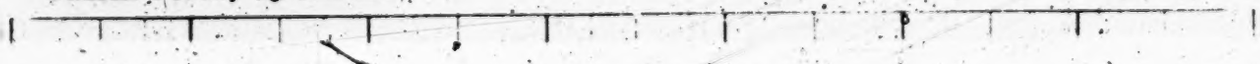
$25,250,000
1,000,000 Shares Com. Stk.

Offering Price $25.25 per Share

Offering increased stock outstanding by 19.23%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Steel Stocks
Dec. 50	Jan. 51	+ 22.00	+6.22	+10.75
Jan. 51	Feb.	- 9.02	-0.69	+ 1.32
Feb.	Mar.	- 7.21	-1.59	- 6.36
Mar.	Apr.	+ 3.88	+5.59	+ 1.35
Apr.	Mar. 52	- 12.15	+7.79	-10.17

Price Range Per Share Of
Common Stock, By Months



GOVERNMENT TRIAL EXHIBIT No. 657

[fol. 3456]

MONSANTO CHEMICAL CO.

Price Range of Common Stock By Months
November 1951 to February 1953

Year and Month	Price Per Share			Index Numbers (Nov. 1951 Equals 100) Monthly Closing Prices For Monsanto Com. Stk. Stock Price Deflated By: 1/		
				(1)	(2)	(3)
	High	Low	Close	Stock Price	S&P Industrials	S&P Chemical Stocks
	$	$	$			
Nov. 51	89.750	84.000	88.250	100.00	100.00	100.00
Dec.	105.750	88.250	105.750	119.83	115.09	111.04
Jan. 52	109.500	99.250	102.375	116.00	110.09	106.11
Feb.	102.750	91.250	94.250	106.79	105.92	102.72
Mar.	97.375	93.750	95.500	108.21	102.24	103.11
Apr.	95.750	89.000	90.500	102.55	101.54	99.94
May	96.000	89.125	93.250	105.66	102.24	101.59
June	96.375	93.000	95.375	108.07	99.25	100.01
July	98.250	91.500	91.500	103.68	93.48	94.03
Aug.	93.000	90.250	91.000	103.11	94.81	94.60
Sept.	92.750	87.000	87.000	98.58	92.65	92.11
Oct.	88.250	82.500	84.625	95.89	90.23	91.17
Nov.	92.000	85.125	91.250	103.40	92.94	94.01
Dec.	92.750	87.750	98.250	104.53	90.49	90.62
Jan. 53	95.375	90.625	94.250	106.79	93.39	92.29
Feb.	94.750	89.500	91.000	103.11	91.93	90.12

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 11 Chemical Stocks have been converted, for purposes of this table, to November 1951 base. The deflated index numbers state the Monsanto stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 2/4/52

$39,200,000
400,000 Shares Com. Stk.

Offering Price $98.00 Per Share

Offering increases stock outstanding by 8.22%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Chemical Stocks
Nov. 51	Dec. 51	↑19.83	↑4.12	↑7.92
Dec.	Jan. 52	- 3.19	↑1.20	↑1.29
Jan. 52	Feb.	- 7.94	-4.32	-4.90
Feb.	Mar.	↑ 1.33	↑4.99	↑0.95
Mar.	Feb. 53	- 4.71	↑5.97	↑9.01

Price Range Per Share Of Common Stock, By Months

110

GOVERNMENT TRIAL EXHIBIT NO. 658

[fol. 3457]

CATERPILLAR TRACTOR CO.

Price Range of Common Stock By Months
January 1956 to April 1957

Year and Month	Price Per Share			Index Numbers (Jan. 1956 Equals 100) Monthly Closing Prices Per Caterpillar Tractor Common Stock		
					Stock Price Deflated By: 1/	
	High	Low	Close	(1) Stock Price	(2) S&P Industrials	(3) S&P Construction & Earth Moving Machinery Stocks
	$	$	$			
Jan. 56	60.375	55.500	59.250	100.00	100.00	100.00
Feb.	70.625	59.000	67.250	113.50	109.29	110.55
Mar.	68.625	64.625	67.000	113.08	101.46	104.11
Apr.	72.875	65.000	72.000	121.51	108.94	111.93
May	77.500	70.250	75.000	126.58	122.13	109.88
June	85.625	72.750	84.500	142.61	131.90	119.67
July	95.375	84.000	90.750	153.16	134.50	108.62
Aug.	93.875	84.125	87.000	146.83	134.04	105.46
Sept.	89.125	85.000	85.500	144.30	138.17	105.85
Oct.	93.375	84.000	89.500	151.05	143.93	109.05
Nov.	93.250	88.000	90.000	151.89	146.50	110.15
Dec.	91.000	88.000	89.750	151.47	140.46	110.72
Jan. 57	96.500	87.000	90.750	153.16	149.72	108.45
Feb.	95.250	85.625	93.125	157.17	159.16	113.56
Mar.	94.500	90.250	94.000	158.64	156.82	113.22
Apr.	94.250	90.250	90.625	152.95	145.40	109.70

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 3 Construction & Earth Moving Machinery Stocks have been converted, for purposes of this table, to January 1956 base. The deflated index numbers state the Caterpillar Tractor stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 4/2/56

$34,375,000
500,000 Shares Com. Stk.

Offering Price $68.75 Per Share

Offering increases stock outstanding by 5.98%.

From	To	Per Cent Change In Monthly Closing Figures: (1) Stock Price	(2) S&P Stock Price Index: Industrials	(3) S&P Stock Price Index: Construction & Earth Moving Machinery Stocks
Jan. 56	Feb. 56	+13.50	+3.85	+2.67
Feb.	Mar.	- 0.37	+7.32	+5.80
Mar.	Apr.	+ 7.46	+0.08	-0.06
Apr.	May	+ 4.17	-7.09	+6.12
May	Apr. 57	+20.83	+1.50	+21.02

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 659

SEC. EXHIBIT No. 653

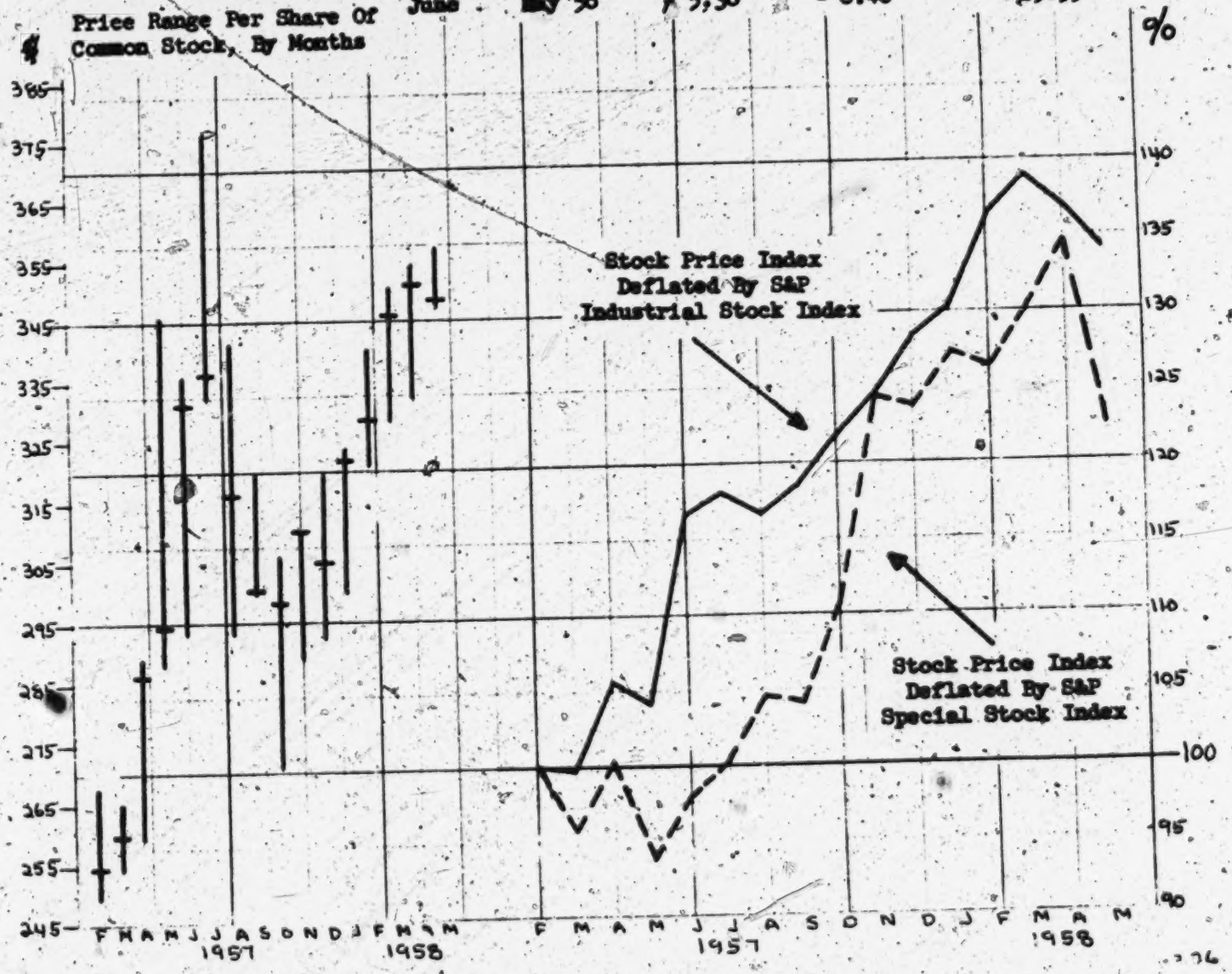
SECURITY OFFERING 5/21/57

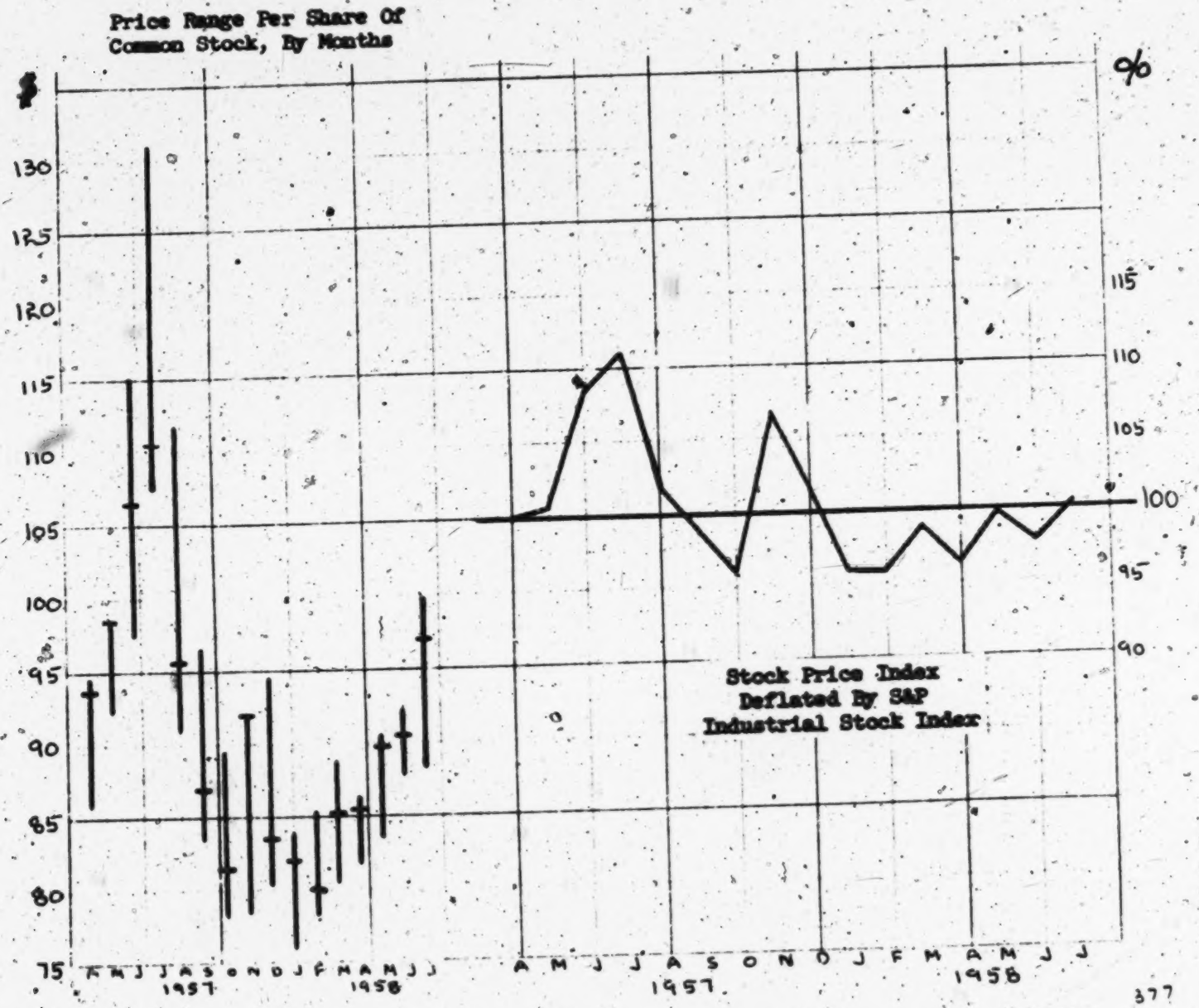
$231,049,060
1,050,223 Shares Com. Stk.

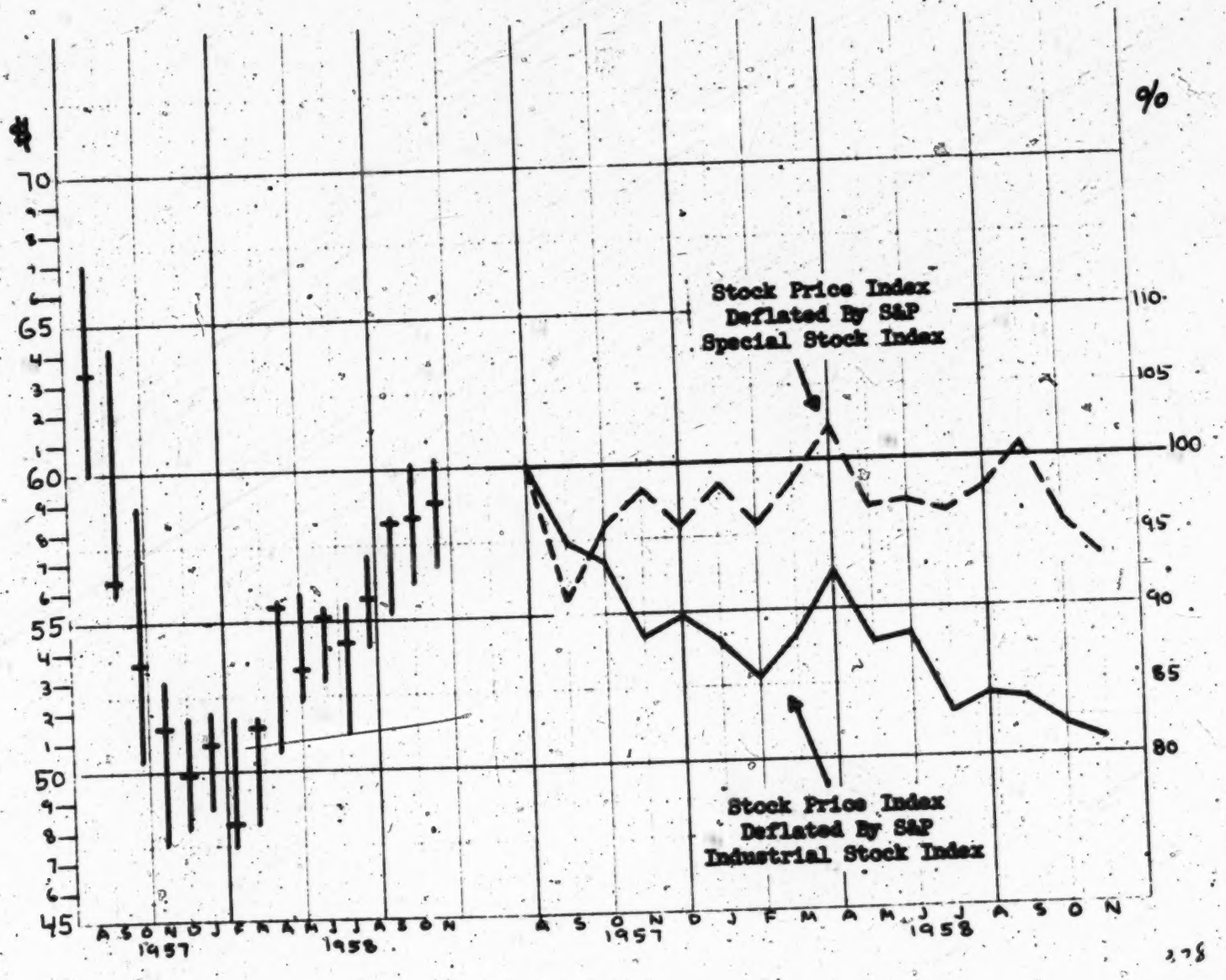
Subscription Price $220.00 Per Share

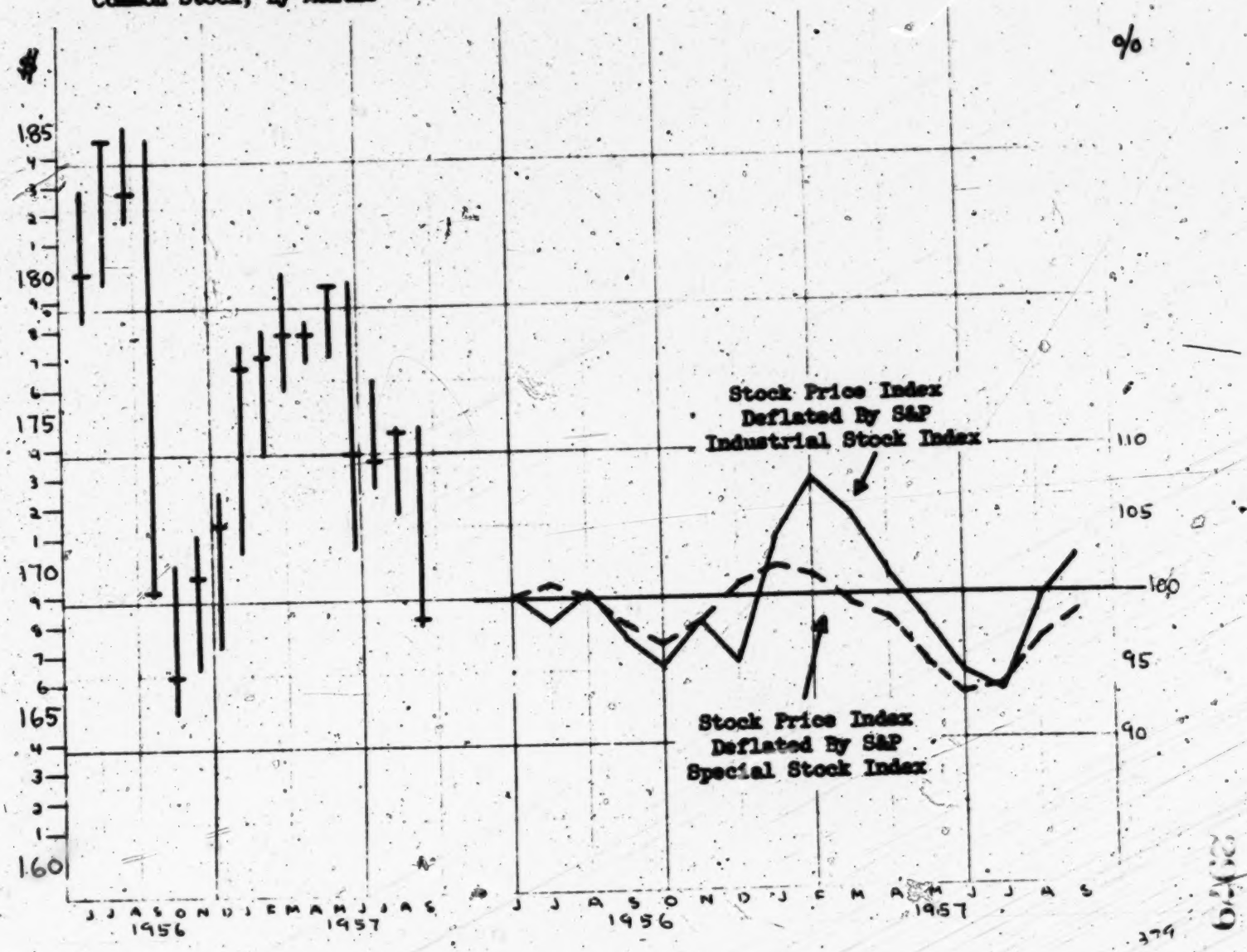
Rights 1-For-10 Basis

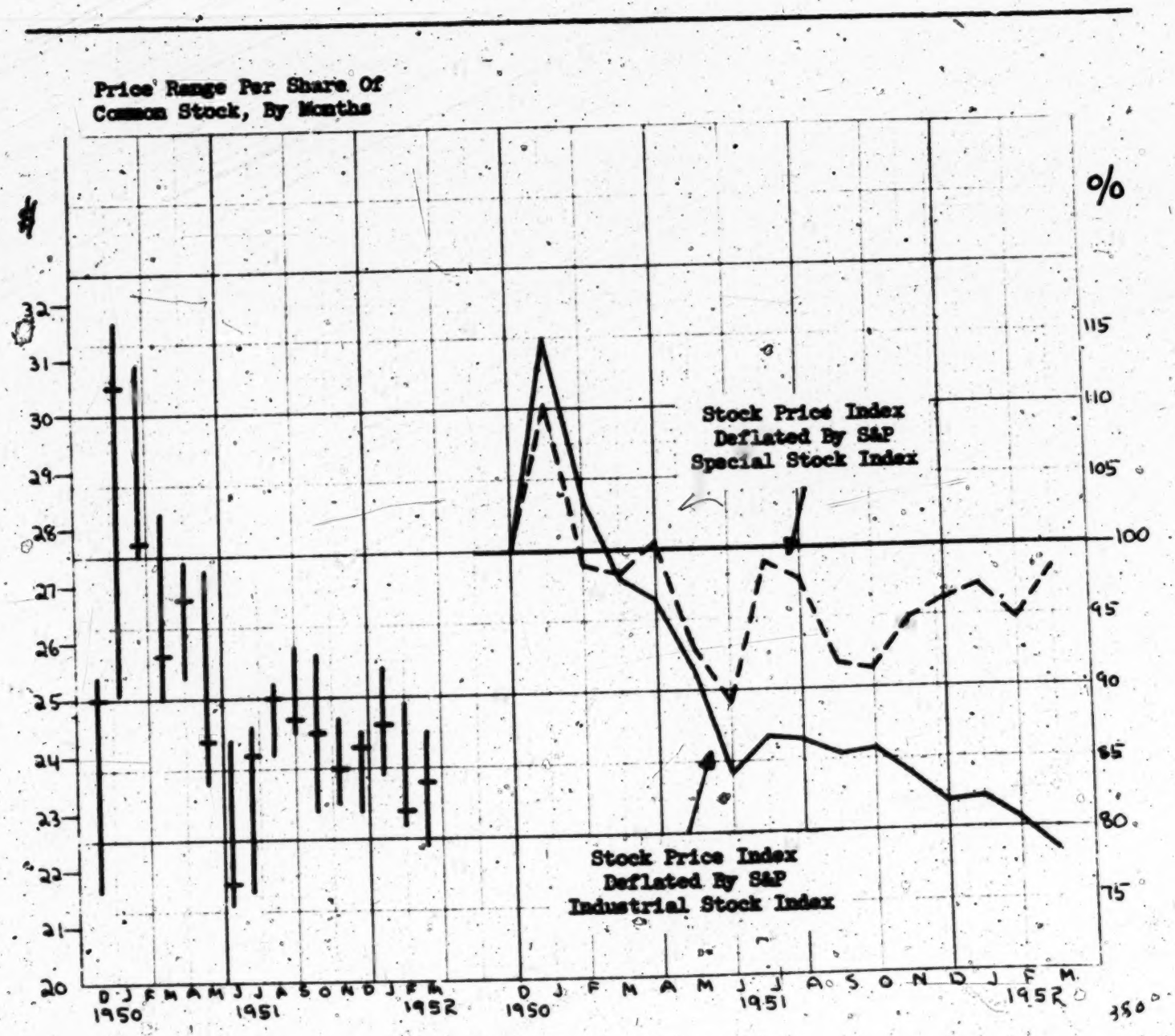
From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Office Equipment Stocks (Exclusive of IBM)
Feb. 57	Mar. 57	+ 2.16	+ 2.44	+6.72
Mar.	Apr.	+10.11	+ 3.98	+5.01
Apr.	May	+ 2.97	+ 4.38	+10.19
May	June	+12.39	+ .43	+7.61
June	May 58	+ 5.36	- 8.40	-15.59

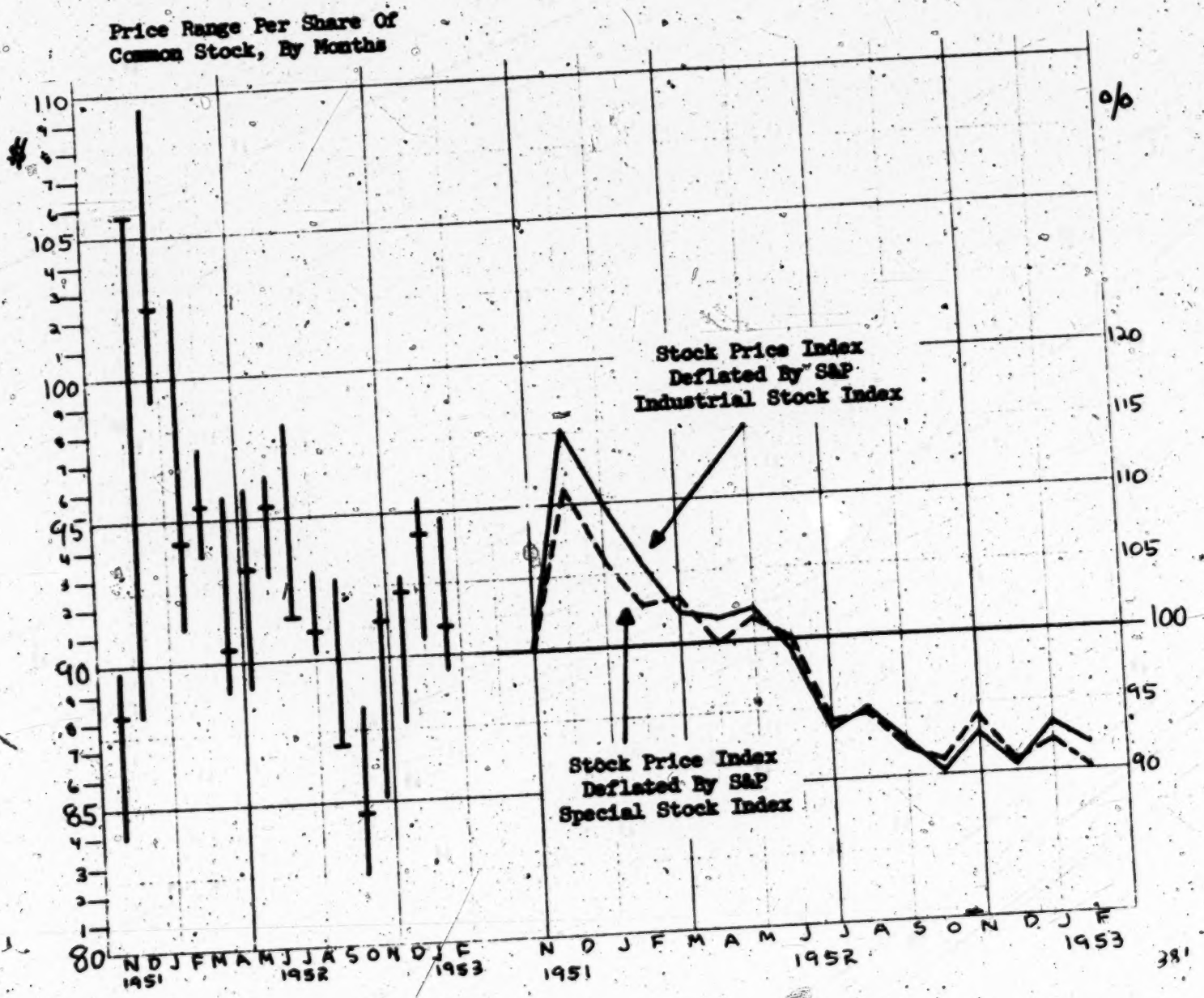


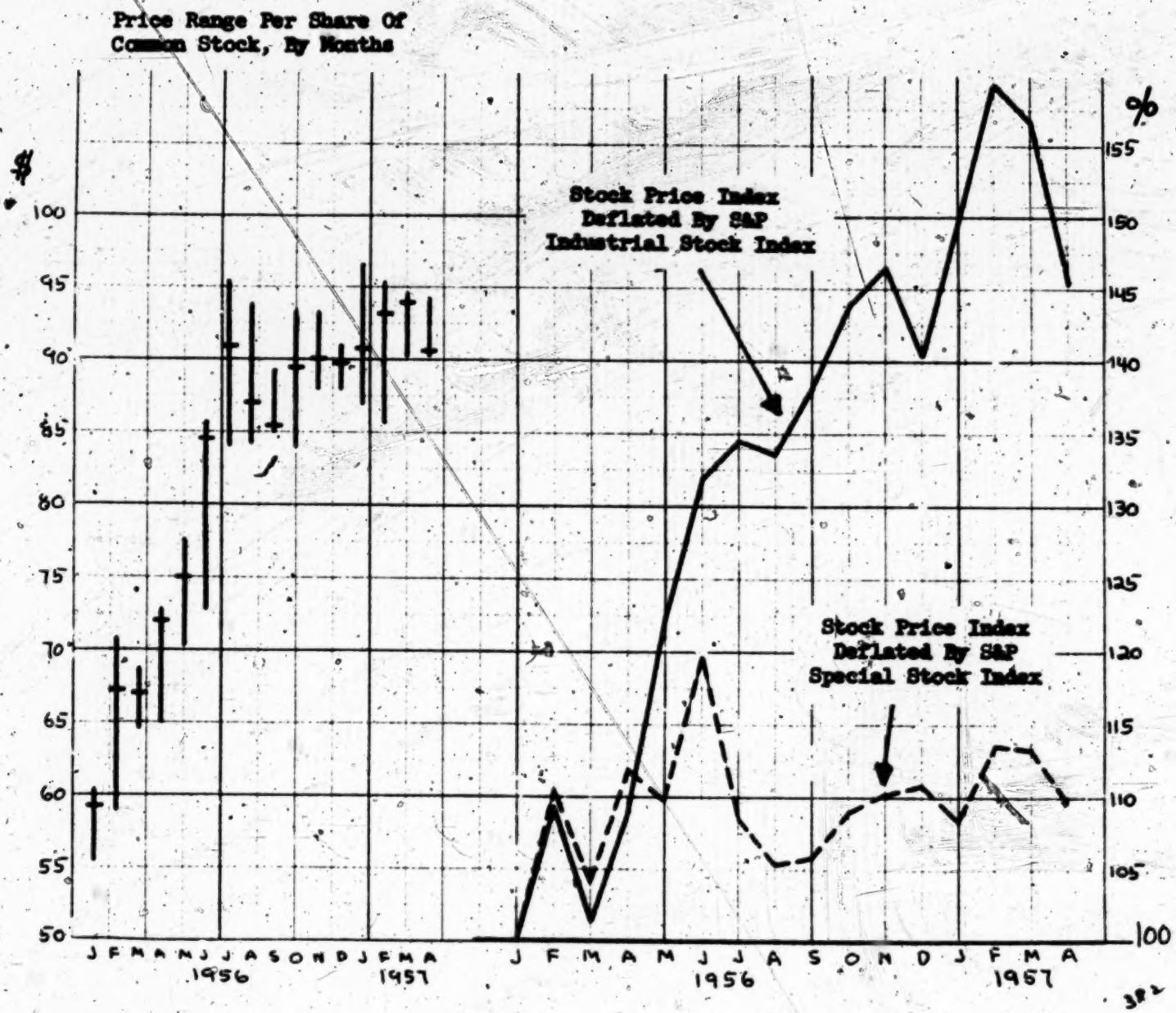

Price Range Per Share Of
Common Stock, By Months
$
130
125
120
115
110
105
100
95
90
85
80
75
%
115
110
105
100
95
90
Stock Price Index
Deflated By S&P
Industrial Stock Index
A M J J A S O N D J F M A M J J
1957
1958
A M J J A S O N D J F M A M J J
1957
1958


$
70
65
60
55
50
45
%
110
105
100
95
90
85
80
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
A S O N D J F M A M J J A S O N
1957
1958
A S O N D J F M A M J J A S O N
1957
1958


Price Range Per Share Of Common Stock, By Months
$
%
185
180
175
170
165
160
110
105
100
95
90
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
J J A S O N D J F M A M J J A S
1956
1957
J J A S O N D J F M A M J J A S
1956
1957


Price Range Per Share Of
Common Stock, By Months
$
%
32
31
30
29
28
27
26
25
24
23
22
21
20
115
110
105
100
95
90
85
80
75
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
D J F M A M J J A S O N D J F M
1950
1951
1952
D J F M A M J J A S O N D J F M
1950
1951
1952


Price Range Per Share Of
Common Stock, By Months
$
%
110
105
100
95
90
85
80
120
115
110
105
100
95
90
N D J F M A M J J A S O N D J F
1951
1952
1953
Stock Price Index
Deflated By S&P
Industrial Stock Index
Stock Price Index
Deflated By S&P
Special Stock Index


Price Range Per Share Of
Common Stock, By Months
$
100
95
90
85
80
75
70
65
60
55
50
%
155
150
145
140
135
130
125
120
115
110
105
100
Stock Price Index
Deflated By S&P
Industrial Stock Index
Stock Price Index
Deflated By S&P
Special Stock Index
J F M A M J J A S O N D J F M A
1956
1957
J F M A M J J A S O N D J F M A
1956
1957

be carried forward and be available for awards in a succeeding year or years.

Plan "C"

At December 31, 1958, there were outstanding 30,624 dividend units, 24,597 of which were accompanied by stock options to purchase 32,796 shares of the company's common stock at $180.25 per share (full market value at date of grant). A dividend unit entitles the holder to receive, for a limited term, cash payments equal to the dividends paid on one share of the company's common stock. Dividend units accompanied by stock options terminate upon exercise of the related stock options. During 1958, payments to employees under dividend units totaled $137,808; this amount was charged against operating income for the period.

Options become exercisable to the extent of 50% after January 1 following the year of grant and 25% additional after January 1 of each of the next two succeeding years. They expire at the end of eight years from date of grant unless terminated earlier in accordance with terms of the plan. No options outstanding were exercisable at December 31, 1958.

For dividend units and stock options awarded in February 1959, see page 23.

4—Taxes

Federal tax returns for all years prior to 1955 have been audited by the Internal Revenue Service and proposed adjustments involving additional tax have been settled. Comments with respect to the provision for Federal taxes on income appear on pages 14 and 15.

5—Depreciation and Obsolescence

The portion of the cost of "certified" facilities being amortized over 60 months for tax purposes in accordance with provisions of the Internal Revenue Code is being similarly amortized for financial accounting purposes. The 1958 and 1957 provisions for depreciation and obsolescence include $3,330,422 and $5,878,843, respectively, for amortization of these facilities.

[fol. 3492] 6—Common Stock Issued to Employees

The company's charter provides that 2,000,000 authorized but unissued common shares may be issued to employees after April 11, 1955, on such terms and conditions as may be prescribed and determined by the Board of Directors. In 1958, 127,183 shares were issued in connection with employee bonus plans. The par value of such shares was added to the common Capital Stock account and the excess of issue price over par value was added to Paid-in Surplus. This excess ($22,257,025) represented the principal adjustment to Paid-in Surplus. At December 31, 1958, there remained 1,872,817 common shares reserved for issuance to employees.

In 1957, purchased common stock of the company was issued for this purpose.

Consolidated Subsidiaries are companies which are wholly owned or practically so.

Pensions—Assets, at cost, held by the Trustee of the company's Pension Trust amount to $436,852,983 at December 31, 1958, and $381,475,167 at December 31, 1957. Since these assets are held in a trust for payment of retirement benefits, they are not reflected in the consolidated balance sheet.

[fol. 3493] GOVERNMENT TRIAL EXHIBIT No. 694

April 3, 1959.

Philip A. Loomis, Director,
Division of Trading and Exchanges,
Securities and Exchange Commission,
Washington 25, D. C.

Dear Mr. Loomis:

During the hearing which is now being held before Judge Walter J. LaBuy in the Northern District of Illinois in *United States* v. *E. I. du Pont de Nemours and Company, et al.*, questions have arisen concerning the registration requirements for General Motors stock which may be sold pursuant to an order of the Court.

More specifically, the Department of Justice has proposed that approximately two million shares of General Motors stock be sold each year for a period of ten years

by a trustee to be appointed by the Court. The Department of Justice proposal leaves open the question whether these sales would be made by secondary distribution, private placement or through the various exchanges.

We are informed that with respect to at least three issues during the past several years there has been registration of such issues with the selling price to be at the market or based on a formula. The three issues referred to are:

(1) Pacific Petroleum Limited, Prospectus dated February 11, 1959;
(2) Israel-American Oil Corp., Prospectus dated October 28, 1954 and March 27, 1956; and
(3) Sun Oil Company, Prospectus dated June 9, 1958.

[fol. 3494] The Department of Justice has assumed on the basis of these three issues that the trustee would similarly be free to register an average of two million shares each year and make sales of all or part of the stock through the exchanges at the market price or at a formula price with the understanding that the prospectus would be amended to show any formal secondary or other form of offering as such offerings are made from time to time.

Inasmuch as the questions raised are of substantial importance in this litigation, I would appreciate your advising me whether the trustee would be permitted to make such sales through the exchanges consistent with the requirements of the Securities and Exchange Commission.

Sincerely yours, Victor R. Hansen, Assistant Attorney General, Antitrust Division.

[fol. 3495] SECURITIES AND EXCHANGE COMMISSION
Washington 25, D. C.

April 8, 1959.

Division of Trading and Exchanges

The Honorable Victor R. Hansen,
Assistant Attorney General,
Antitrust Division,
United States Department of Justice,
Washington 25, D. C.

Dear Mr. Hansen:

This will acknowledge receipt of your letter dated April 3, 1959 with respect to the registration requirements of the Securities Act of 1933 for General Motors Corporation stock which may be sold pursuant to an order of the Court in *U. S.* v. *E. I. DuPont de Nemours and Co., et al.*

It is proposed that 2,000,000 shares of such stock be sold each year for a period of ten years by a trustee to be appointed by the Court. Such sales may be made by secondary distribution, private placement or through various exchanges.

I agree that the trustee would be free to register under the Securities Act of 1933 an average of 2,000,000 shares of General Motors stock each year and make sales of all or part of the stock through exchanges at the market price or at a formula price with the understanding that the prospectus would be amended to show any formal secondary or other form of offering as made from time to time. It would, of course, be necessary to describe in the prospectus the methods of offerings that might be employed, the method of pricing (such as at the market, designated formula, etc.) to the extent known and to provide information in the prospectus as to changes therein or additional arrangements, by post effective amendments. I will not undertake to outline the details of such a filing or the undertakings usually incident thereto, as these are matters which can usually be worked out without difficulty.

In connection with the distribution of the securities, consideration would have to be given to the requirements of the New York Stock Exchange. Speaking generally, the prior approval of the Exchange is required for any transaction in listed securities not made in the regular auction

market on the Exchange in which members of the Exchange participate. Various plans exist under which distributions of blocks of listed securities which can not be absorbed in the regular auction market may be carried out. These [fol. 3496] include Exchange distributions, special offerings and secondary distributions. A secondary distribution, as you realize, is made off the floor of the Exchange, generally after the close of the Exchange at a price which ordinarily is related to the closing price on the Exchange. As indicated, prior approval of the Exchange is required and in determining whether to grant such approval the Exchange in general considers the question of whether it would be feasible to consummate the distribution over the Exchange without disrupting the market. Special offerings and exchange distributions are special plans for the distribution of securities through the mechanisms of the Exchange. They contemplate the fact that it may be necessary to make arrangements for the solicitation of purchases of the securities and that compensation may have to be paid for such solicitation. They thus come within this Commission's Rule 10B-2 which prohibits persons participating in a distribution from paying compensation to others to solicit purchases of a security on the Exchange except in conformity to the plan which has been filed with and approved by this Commission. The special offering and exchange distribution plans of the New York Stock Exchange have been so filed and approved.

Sincerely yours, Philip A. Loomis, Jr., Director.

[fol. 3497] SECURITIES AND EXCHANGE COMMISSION
Washington 25, D. C.
Division of Corporation Finance

April 24, 1959.

The Honorable Victor R. Hansen,
Assistant Attorney General,
Antitrust Division,
United States Department of Justice,
Washington 25, D. C.

Dear Sir:

This is with further reference to your letter of April 3 to Mr. Loomis and his reply of April 8 with respect to the registration requirements of the Securities Act of 1933 for General Motors Corporation stock which may be sold pursuant to an order of the Court in *U. S.* v. *E. I. duPont de Nemours & Co.*, et al.

I will undertake to elaborate to some extent upon the techniques by which the trustee may meet the requirements of the Securities Act of 1933 and at the same time maintain maximum flexibility with respect to the methods of marketing that he may find it expedient to employ, such as sales by direct placement, sales on the various stock exchanges, and sales by means of a formal secondary offering.

As you know, Section 8(a) of the Act provides that a registration statement shall become effective 20 days after the filing thereof or such earlier date as the Commission may determine under the standards set forth therein. Furthermore, any amendment to such statement filed prior to the effective date commences another 20-day period unless this period is accelerated by the Commission. Accordingly, the initial filing of a registration statement will entail such a period of time during which it may be examined by the staff and amendment as appear necessary may be filed. Since it appears that annual filings will thereafter be made, these may normally be timed so as to provide for the offering of additional shares and at the same time make provision for a current prospectus to be used by the trustee in effecting the sales without interruption. In other words, as a practical matter there need be no gap between these offerings by reason of the waiting period provided in Sec-

tion 8(a), since the new registration statement may be filed sufficiently in advance of the time when the old prospectus would become out of date so that the offering might continue under the old registration statement while the new one is being processed by the Commission. Such filings could be timed so as to use only the annual financial statements as contained in the reports filed pursuant to Section 13 of the Securities Exchange Act of 1934 and without the use of interim reports.

[fol. 3498] The registration statement should include disclosure of the method or methods by which the securities are to be offered, including method of pricing and any underwriting discounts and arrangements. In order to provide maximum flexibility, it would be desirable for the registration statement as filed to include disclosure with respect to possible market offerings over the exchanges on which the security is listed for trading and also disclosure with respect to possible direct placements by the trustee at negotiated prices. I assume it would be impracticable to include initially the details of any formal secondary offering by means of usual channels of distribution through underwriters, and for this purpose the prospectus could be amended by means of a rider to disclose such information if and when the trustee should determine to follow this method of offering. Such a rider should be filed as a post-effective amendment to the registration statement which under the provisions of Section 8(c) of the Act the Commission may declare effective promptly after examination by the staff and it appearing that the amendment is not upon its face inaccurate or incomplete in any material respect. Barring any need for correction, supplementation or other unusual circumstances, I would anticipate that such an amendment could become effective within a day or two. The undertakings referred to in the third paragraph of our previous letter relate to the agreement for filing a post-effective amendment for the purpose of disclosing the details of any formal secondary offering as above discussed and for the purpose of assuring that current prospectuses meeting the requirements of Section 10(a)(3) of the Act would be filed as post-effective amendments.

Thus, it appears that the trustee would be able to meet the registration requirements of the Securities Act of 1933

and at the same time maintain maximum flexibility in the marketing of the General Motors stock to be sold under the proposed judgment by effecting sales through any of the methods above described.

Very truly yours, Mannel F. Cohen, Chief Counsel, Division of Corporation Finance.

[fol. 3499] DEFENDANT'S TRIAL EXHIBIT NO. DP-24

Summary

Estimated Beneficial Ownership of Du Pont Common Stock
by Type of Owner and Number of Shares

Type of owner and number of shares	Number of Owners	Shares (1000's)	% of Shares
Total	308,051	45,536	100.0
Individuals	209,484	14,940	32.8
1— 100 shares	188,743	4,554	10.0
101— 200 shares	10,682	1,746	3.8
201— 500 shares	6,765	2,309	5.1
501—1000 shares	1,939	1,429	3.1
1001—5000 shares	1,156	2,323	5.1
over 5000 shares	199	2,577	5.7
Individual trust beneficiaries	42,290	10,732	23.6
1— 100 shares	32,758	1,357	3.0
101— 200 shares	4,859	795	1.7
201— 500 shares	3,078	986	2.2
501—1000 shares	821	588	1.3
1001—5000 shares	569	1,340	2.9
over 5000 shares	205	5,664	12.4
Tax-liable corporations	2,182	15,337	33.7
Christiana Sec. Co.	1	12,199	26.8
Delaware Realty & Inv. Co.	1	1,218	2.7
Insurance Companies	322	459	1.0
Others	1,858	1,461	3.2
Charitable, educational, etc.	7,356	2,282	5.0
Non-resident aliens and foreign organizations	3,878	820	1.8
Estates	2,321	504	1.1
Common and mutual funds	375	485	1.1
Trust corpora	39,550	386	0.8
Others and not classified	615	50	0.1

DEFENDANTS' TRIAL EXHIBIT No. DP-27

RADIO CORPORATION OF AMERICA

Monday (1)	RCA Common Stock Low	RCA Common Stock High	RCA Common Stock Mean	D.J.I. Avg. Closing Price	Index = 100 RCA Common Stock Mean	Index = 100 D.J.I. Avg. Closing Price	Index = 100 RCA Common Stock Deflated for Movements of DJI Avg.	Weekly Volume (3) RCA Common Stock NYSE	Weekly Volume (3) NYSE	RCA Common Stock as % of NYSE
October 10, 1932	5 7/8	7	6 7/16	58.47				13,690	8,817,310	.16
17	7	7 1/4	7 1/8	62.69				72,300	5,985,695	1.21
24	6 7/8	7 1/8	7	61.03				34,300	3,873,552	.89
31	6 1/2	6 7/8	6 11/16	61.90				53,500	4,356,840	1.23
November 7	7	7 1/4	7 1/8	64.58				185,400	7,539,910	2.46
14	7 3/4	8 3/8	8 1/16	65.57				105,700	5,629,842	1.88
Base Period - Avg. of Six Previous Mondays			7.073	62.37	100.0	100.00	100.00			
21	5 5/8	7 1/2	6 9/16	63.65	92.78	102.05	90.92	144,700	3,736,557	3.87
28	5 3/4	6	5 7/8	59.17	83.06	94.87	87.55	32,000	3,977,664	.80
December 5	5	5 1/4	5 1/8	56.53	72.46	90.64	79.94	48,400	5,307,147	.91
12	5 3/8	5 1/2	5 7/16	61.48	76.88	98.57	78.00	22,700	5,251,810	.43
19	5 1/8	5 1/2	5 5/16	60.08	75.11	96.33	77.97	43,400	5,284,107	.82
27	3 3/4	4 1/2	4 1/8	57.60	58.32	92.35	63.15	67,677	5,365,460	1.26
January 3, 1933	5	5 3/8	5 3/16	59.29	73.34	95.06	77.15	36,600	4,407,386	.83
9	5 3/4	6	5 7/8	62.31	83.06	99.90	83.14	32,700	5,448,828	.60
16	5 1/8	5 1/4	5 3/16	61.62	73.34	98.80	74.23	25,400	3,911,440	.65
23	4 3/4	5 1/8	4 15/16	61.46	69.81	98.54	70.84	34,400	4,056,461	.85
30	4 1/2	4 5/8	4 9/16	60.77	64.51	97.43	66.21	37,400	4,782,921	.78
February 6	4	4 1/4	4 1/8	58.07	58.32	93.11	62.64	19,100	4,202,496	.45
14	4 1/8	4 1/2	4 5/16	56.57	60.97	90.70	67.22	44,400	4,365,332	1.02
20	3 7/8	4	3 15/16	54.26	55.67	87.00	63.99	131,300	4,250,073	3.09
27	3	3 1/4	3 1/8	50.16	44.18	80.42	54.94	159,200	6,352,115	2.51
March 6	---------- Bank Holiday (2) ----------									
15	4	4 7/8	4 7/16	62.10	62.74	99.57	63.01	166,500	8,092,852	2.06
20	4 1/2	4 3/4	4 5/8	59.90	65.39	96.04	68.09	75,800	5,176,274	1.46
27	4	4 1/8	4 1/16	56.53	57.44	90.64	63.37	39,800	3,622,344	1.10
April 3	3 3/4	4	3 7/8	55.69	54.79	89.29	61.36	46,400	5,093,325	.91
10	3 7/8	4 3/8	4 1/8	62.11	58.32	99.58	58.57	49,800	6,041,204	.82
17	4	4 1/8	4 1/16	61.59	57.44	98.75	58.17	221,433	20,828,932	1.06
24	5 1/2	5 7/8	5 11/16	73.69	80.41	118.15	68.06	346,600	17,543,665	1.98
May 1	6 5/8	7 1/4	6 15/16	77.79	98.08	124.72	78.64	615,400	27,570,607	2.23

NOTES: (1) In cases where Monday was a holiday the following day that the NYSE was open has been used.
(2) The NYSE ceased trading commencing Saturday, March 4, 1933 and did not open for trading until Wednesday, March 15, 1933.
(3) Weekly volume is computed from the preceding Saturday through the following Friday.

Source: The Dow-Jones Averages, Barrons, The Commercial and Financial Chronicle.

[fol. 3465]

THE TEXAS CO.

Price Range of Common Stock [illegible]
March 1956 to June 1957

(Adjusted to Reflect Two-For-One
Split Effective April 1956)

Year and Month	Price Per Share High	Low	Close	Index Numbers (March 1956 Equals 100) Monthly Closing Prices For The Texas Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Integrated Int'l. Oil Stocks
	$	$	$			
Mar. 56	67.125	60.000	67.000	100.00	100.00	100.00
Apr.	69.938	64.250	69.813	104.20	104.13	97.33
May	69.875	59.250	62.875	93.84	100.92	88.43
June	66.750	60.811	64.500	96.27	99.25	91.50
July	69.500	64.250	65.875	98.32	96.24	89.41
Aug.	67.750	59.375	60.000	89.55	91.12	84.60
Sept.	61.500	53.580	55.125	82.27	87.80	83.14
Oct.	60.250	54.500	56.000	83.58	88.76	84.64
Nov.	60.500	53.125	56.250	83.95	90.25	86.08
Dec.	60.000	56.500	59.875	89.36	92.36	87.39
Jan. 57	61.500	57.500	58.875	87.87	95.74	84.42
Feb.	59.750	54.375	58.625	87.50	98.76	87.84
Mar.	65.375	58.250	64.125	95.71	105.45	91.76
Apr.	67.500	63.250	67.000	100.00	105.97	91.33
May	75.000	67.000	74.500	111.19	112.87	95.40
June	76.500	69.250	71.500	106.71	107.86	86.80

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Integrated Int'l. Oil Stocks have been converted, for purposes of this table, to March 1956 base. The deflated index numbers state the Texas Company stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

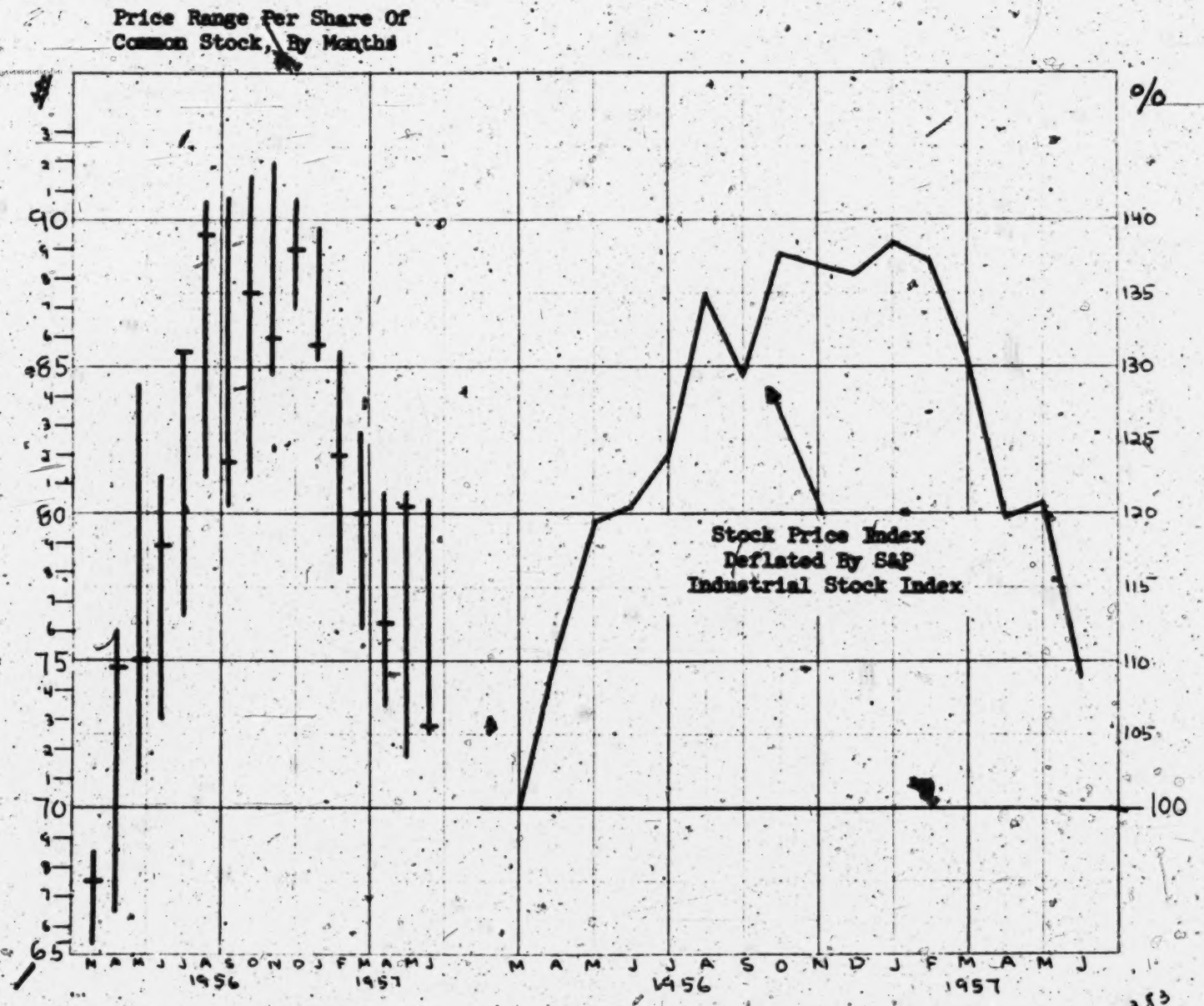
Distribution Began 6/26/56
Ended 6/26/56

No. Shs. In Orig. Offering 425,000
No. of Shs. Sold 449,926
Offering Price Per Sh. $64.25
Gross Proceeds:
Based on No. of Shs. in Orig. Offering $27,306,250
Based Upon No. of Shs. Sold $28,907,746
Offering represented 0.77% of stock outstanding.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Stock Price Index Industrials	(3) Integrated Int'l. Oil Stocks
Mar. 56	Apr. 56	↑4.20	↑ .08	↑7.06
Apr.	May	-9.94	-7.09	-0.87
May	June	↑2.58	↑4.32	-0.86
June	July	↑2.13	↑5.32	↑4.51
July	June 57	↑8.54	-3.16	↑11.80

Price Range Per Share Of [illegible] Stock By Months

GOVERNMENT TRIAL EXHIBIT NO. 667


Price Range Per Share Of Common Stock, By Months
$
90
85
80
75
70
65
%
140
135
130
125
120
115
110
105
100
Stock Price Index Deflated By S&P Industrial Stock Index
N A M J J A S O N D J F M A M J
1956
1957
M A M J J A S O N D J F M A M J
1956
1957

[fol. 3458]

HALLIBURTON OIL WELL CEMENTING CO.

Price Range of Common Stock By Months
March 1956 to June 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (Mar. 1956 Equals 100) Monthly Closing Prices For Halliburton Oil Well Cementing Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Industrials 1/
	$	$	$		
Mar. 56	68.500	65.375	67.500	100.00	100.00
Apr.	76.000	66.500	74.750	110.73	110.65
May	84.375	71.000	75.000	111.11	119.50
June	81.250	73.000	78.875	116.85	120.46
July	85.500	76.625	85.500	126.66	123.98
Aug.	90.625	81.250	89.500	132.59	134.91
Sept.	90.750	80.250	81.750	121.10	129.24
Oct.	91.500	81.250	87.500	129.62	137.66
Nov.	92.000	84.750	86.000	127.40	136.96
Dec.	90.750	87.000	89.000	131.84	136.27
Jan. 57	89.750	85.250	85.750	127.03	138.41
Feb.	85.500	78.000	82.000	121.47	137.10
Mar.	82.750	76.125	80.000	118.51	130.58
Apr.	80.750	73.500	76.250	112.96	119.70
May	80.750	71.750	80.250	118.88	120.68
June	80.500	72.625	72.750	107.77	108.94

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) have been converted, for purposes of this table, to March 1956 base. The deflated index numbers state the Halliburton stock price index as a percentage of these adjusted S&P index numbers.

SECURITY OFFERING 6/20/56

$27,562,500
350,000 Shs. Com. Stk.
Offering Price $78.75 Per Sh

Offering increased stock outstanding by 10.67%.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Industrial Stock Price Index
Mar. 56	Apr. 56	+ 10.74	+ 0.08
Apr.	May	+ 0.33	- 7.09
May	June	+ 5.17	+ 4.32
June	July	+ 8.40	+ 5.32
July	June 57	-14.91	- 3.16

Price Range Per Share Of Common Stock By Months

GOVERNMENT TRIAL EXHIBIT No. 660

[Vol. 3466]

TEXAS GULF SULPHUR COMPANY

Price Range of Common Stock By Months
January 1957 to April 1958

Year and Month	Price Per Share High	Low	Close	Index Numbers (Jan. 1957 Equals 100) Monthly Closing Prices for Texas Gulf Sulphur Com.Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Sulphur Stocks
	$	$	$			
Jan. 57	33.000	29.875	30.250	100.00	100.00	100.00
Feb.	31.625	28.625	30.625	101.24	104.88	104.30
Mar.	31.000	30.000	30.375	100.41	101.55	96.66
Apr.	30.500	28.500	29.000	95.87	93.24	99.33
May	29.250	27.000	27.250	90.08	83.94	87.46
June	28.625	26.250	27.375	90.49	83.95	87.62
July	28.500	26.375	26.500	87.60	80.22	82.50
Aug.	27.250	24.500	24.875	82.23	79.94	83.60
Sept.	24.875	20.500	21.125	69.83	72.47	79.89
Oct.	21.125	17.875	17.875	59.09	63.47	79.54
Nov.	18.250	15.500	15.750	52.06	55.06	79.52
Dec.	17.375	14.500	14.625	48.35	53.60	78.54
Jan. 58	17.375	15.000	17.000	56.20	59.95	86.98
Feb.	17.125	15.125	15.125	50.00	54.61	76.14
Mar.	19.250	15.125	18.875	62.40	65.98	89.94
Apr.	18.875	17.375	18.625	61.57	63.29	85.86

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 3 Sulphur Stocks have been converted, for purposes of this table, to January 1957 base. The deflated index numbers state the Texas Gulf Sulphur stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

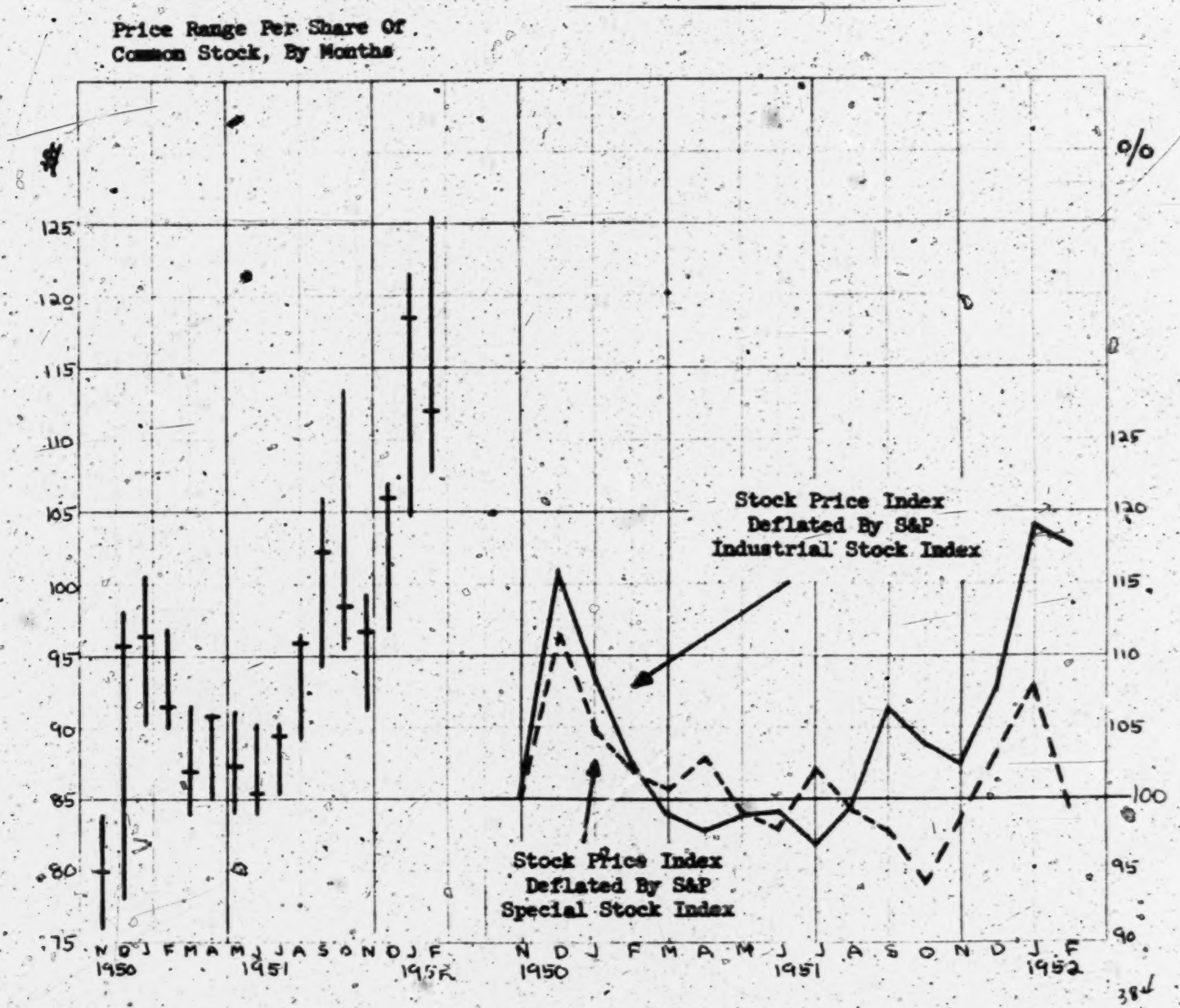
Distribution Began 4/8/57
Ended 4/9/57

No. of Shs. In Orig. Offering 1,200,759
No. of Shs. Sold 1,238,680
Offering Price per Sh. $28.875
Gross Proceeds:
Based on No. of Shs. in Orig. Offering $34,671,916
Based on No. of Shares Sold $35,766,885

Offering represented 11.98% of Stock outstanding.

From	To	Per Cent Change in Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Sulphur Stocks
Jan. 57	Feb. 57	+1.24	-3.47	-0.06
Feb.	Mar.	- .82	+2.44	+3.94
Mar.	Apr.	-4.53	+3.98	+2.16
Apr.	May	-6.04	+4.38	-2.95
May	Apr. 58	-31.65	-9.36	-30.37

GOVERNMENT TRIAL EXHIBIT No. 668


Price Range Per Share Of Common Stock, By Months
$
125
120
115
110
105
100
95
90
85
80
75
%
125
120
115
110
105
100
95
90
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
N D J F M A M J J A S O N D J F
1950
1951
1952
N D J F M A M J J A S O N D J F
1950
1951
1952

[fol. 3459]

ALUMINIUM LIMITED

Price Range of Common Stock By Months
November 1950 to February 1952

Year and Month	Price Per Share High	Low	Close	Index Numbers (Nov. 1950 Equals 100) Monthly Closing Prices For Aluminium Ltd. Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Aluminum Stocks
	$	$	$			
Nov. 50	83.750	76.000	80.000	100.00	100.00	100.00
Dec.	98.000	78.000	96.750	120.94	115.94	111.50
Jan. 51	100.500	99.250	96.500	120.63	108.87	104.90
Feb.	96.875	90.000	91.500	114.38	102.53	101.93
Mar.	91.375	84.000	87.000	108.75	99.06	100.63
Apr.	91.000	85.000	90.750	113.44	97.86	102.87
May	91.125	84.000	87.375	109.22	98.71	98.98
June	90.250	84.000	85.500	106.88	99.09	97.80
July	90.375	85.250	89.500	111.88	96.85	102.07
Aug.	96.500	89.250	96.000	120.00	99.47	99.35
Sept.	106.000	94.250	102.250	127.81	106.30	97.77
Oct.	113.500	95.500	98.500	123.13	103.85	94.00
Nov.	99.250	91.250	96.750	120.94	102.45	98.54
Dec.	107.000	96.875	106.000	132.50	107.79	103.35
Jan. 52	121.500	104.750	118.500	148.13	119.09	107.98
Feb.	125.500	107.750	112.000	140.00	117.64	99.35

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 4 Aluminum Stocks have been converted, for purposes of this table, to November 1950 base. The deflated index numbers state the Aluminium Ltd. stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

Distribution Began 2/27/51
Ended 2/27/51

No. of Shares
In Orig. Offering 333,000
Sold 339,505

Offering Price Per Share $91.00

Gross Proceeds:
Based on No. of Shs. in Original Offering $30,303,000

Offering represented 8.9% of stock outstanding.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Aluminum Stocks
Nov. 50	Dec. 50	+20.94	+4.31	+8.47
Dec.	Jan. 51	- 0.26	+6.22	+6.02
Jan. 51	Feb.	- 5.18	+0.69	-2.42
Feb.	Mar.	- 4.92	-1.59	-3.69
Mar.	Feb. 52	+28.74	+5.59	+30.40

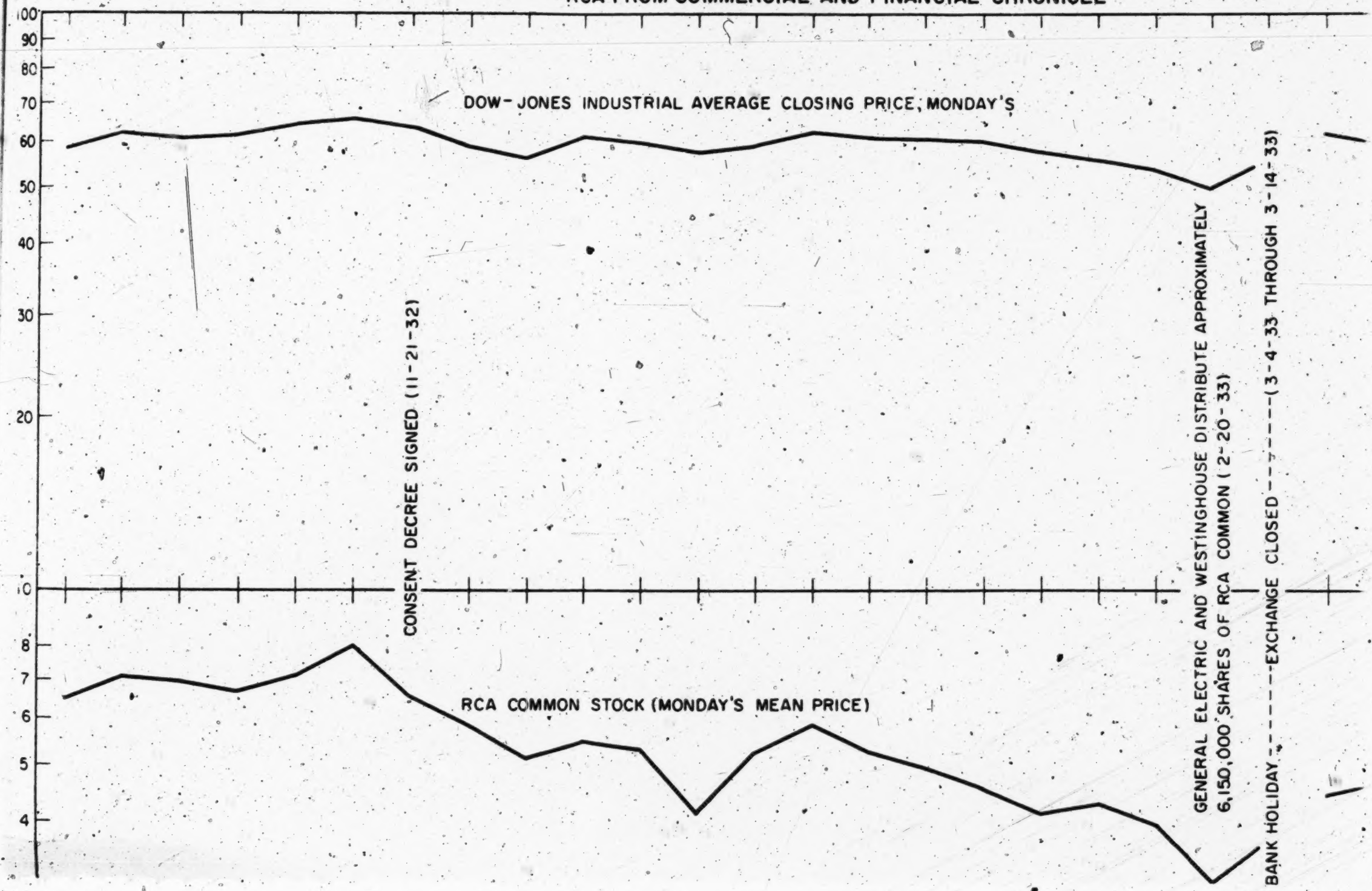
Price Range Per Share Of
Common Stock By Months

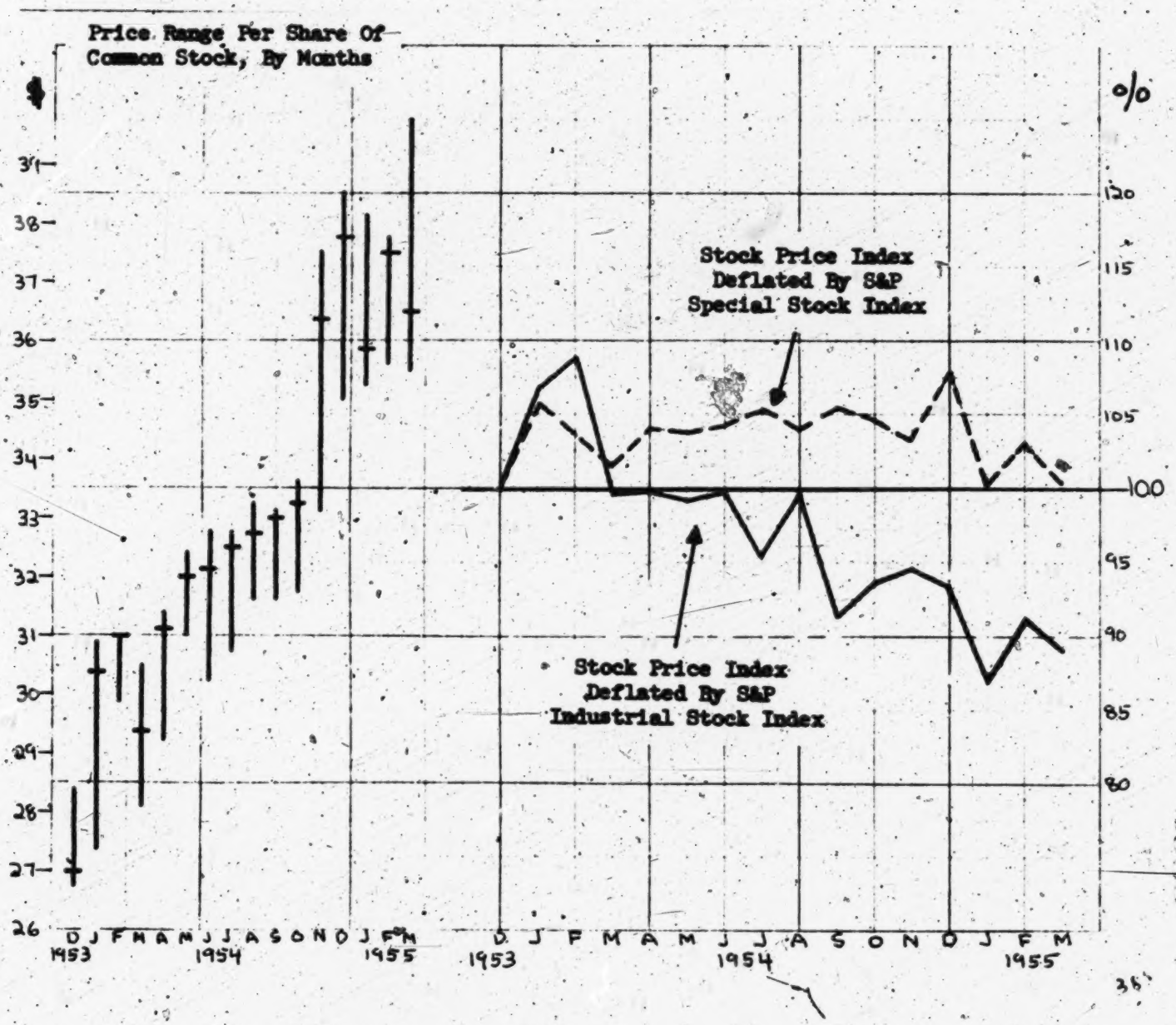
GOVERNMENT TRIAL EXHIBIT No. 691

DEFENDANTS' TRIAL EXHIBIT NO. DP-23

RCA COMMON PRICES COMPARED WITH DOW-JONES INDUSTRIAL AVERAGE
OCTOBER 10, 1932 TO MAY 1, 1933

SOURCE: DOW-JONES FROM BARRON'S
RCA FROM COMMERCIAL AND FINANCIAL CHRONICLE




Price Range Per Share Of Common Stock, By Months
$
39
38
37
36
35
34
33
32
31
30
29
28
27
26
%
120
115
110
105
100
95
90
85
80
Stock Price Index Deflated By S&P Special Stock Index
Stock Price Index Deflated By S&P Industrial Stock Index
D J F M A M J J A S O N D J F M
1953
1954
1955
D J F M A M J J A S O N D J F M
1953
1954
1955

[fol. 3460]

INTERNATIONAL HARVESTER CO.

Price Range of Common Stock 36 Months
December 1953 to March 1956

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1953 Equals 100) Monthly Closing Prices For International Harvester Co. Common Stock. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Agricultural Machinery Stocks
	$	$	$			
Dec. 53	28.375	26.750	27.000	100.00	100.00	100.00
Jan. 54	30.875	27.375	30.375	112.50	106.71	105.68
Feb.	31.000	29.875	31.000	114.81	108.73	103.60
Mar.	30.500	28.125	29.375	108.80	99.66	101.50
Apr.	31.375	29.250	31.125	115.28	99.83	103.97
May	32.375	31.000	32.000	118.52	99.25	103.73
June	32.750	30.250	32.125	118.98	99.70	104.08
July	32.750	30.750	32.500	120.37	95.21	105.13
Aug.	33.250	31.625	32.750	121.30	99.53	103.82
Sept.	33.125	31.625	33.000	122.22	91.33	105.33
Oct.	33.625	31.750	33.250	123.15	93.66	104.68
Nov.	37.500	33.125	36.375	134.72	94.57	103.44
Dec.	38.500	35.000	37.750	139.81	93.37	107.75
Jan. 55	38.125	35.250	35.875	132.87	86.99	100.08
Feb.	37.750	35.625	37.500	138.89	91.17	102.95
Mar.	39.750	35.500	36.500	135.19	89.04	100.39

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 6 Agricultural Machinery Stocks have been converted, for purposes of this table, to December 1953 base. The deflated index numbers state the International Harvester Co. stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

Distribution Began 3/9/54
Ended 3/10/54
No. of Shs. In Orig. Offering 1,000,000
No. of Shs. Sold 1,023,000
Offering Price Per Share $28.50
Gross Proceeds:
Based on No. Shares in Orig. Offering $28,500,000
Based on No. Shs. Sold $29,155,500

Offering represented 7.48% of stock outstanding.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Agricultural Machinery Stocks
Dec. 53	Jan. 54	+12.50	+ 5.43	+ 6.45
Jan. 54	Feb.	+ 2.06	+ 0.15	+ 4.10
Feb.	Mar.	- 5.24	+ 3.39	- 3.27
Mar.	Apr.	+ 5.96	+ 5.78	+ 3.44
Apr.	Mar. 55	+17.27	+31.48	+21.45

Price Range Per Share Of _____

GOVERNMENT TRIAL EXHIBIT No. 662

[fol. 3461]

Price Range of Common Stock By Months
September 1954 to December 1955

(Adjusted to Reflect Two-For-One Split Effective May 1955)

Year and Month	Price Per Share High	Low	Close	Index Numbers (Sept. 1954 Equals 100) Monthly Closing Prices For Republic Steel Com. Stk. (1) Stock Price	Stock Price Deflated By: 1/ (2) S&P Industrials	(3) S&P Steel Stocks
Sept. 54	32.438	29.375	31.188	100.00	100.00	100.00
Oct.	32.688	30.750	30.875	98.99	100.74	94.22
Nov.	35.563	30.750	34.125	109.41	102.77	95.21
Dec.	42.813	33.063	42.438	136.07	121.60	109.07
Jan. 55	42.750	37.563	40.750	130.66	114.46	98.31
Feb.	44.813	41.125	42.875	137.47	120.75	97.40
Mar.	43.688	39.563	41.625	133.46	117.63	93.11
Apr.	43.813	41.563	42.750	137.07	116.25	90.06
May	42.938	40.875	42.625	136.67	115.88	92.65
June	47.500	42.375	47.250	151.50	117.28	92.59
July	48.500	45.250	46.125	147.89	107.35	84.28
Aug.	47.500	43.750	46.875	150.30	110.10	86.60
Sept.	54.750	45.500	49.625	159.11	114.42	82.96
Oct.	49.750	44.875	47.875	153.50	114.11	85.21
Nov.	51.625	47.375	50.750	162.72	112.00	87.47
Dec.	51.250	47.625	48.625	155.91	107.12	81.59

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average StockPrice Index for 11 Steel Stocks have been converted, for purposes of this table, to September 1954, base. The deflated index numbers state the Republic Steel stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

(a)

Distribution (Old Shares)	Began 11/24/54 Ended 11/26/54
No. of Shs. in Orig. Offering	176,553
Sold	178,860
Offer. Price Per Sh.	$69.75
Gross Proceeds:	
Based on No. of Shs. in Orig. Offering	$12,314,572
Based on No. of Shares Sold	$12,475,485

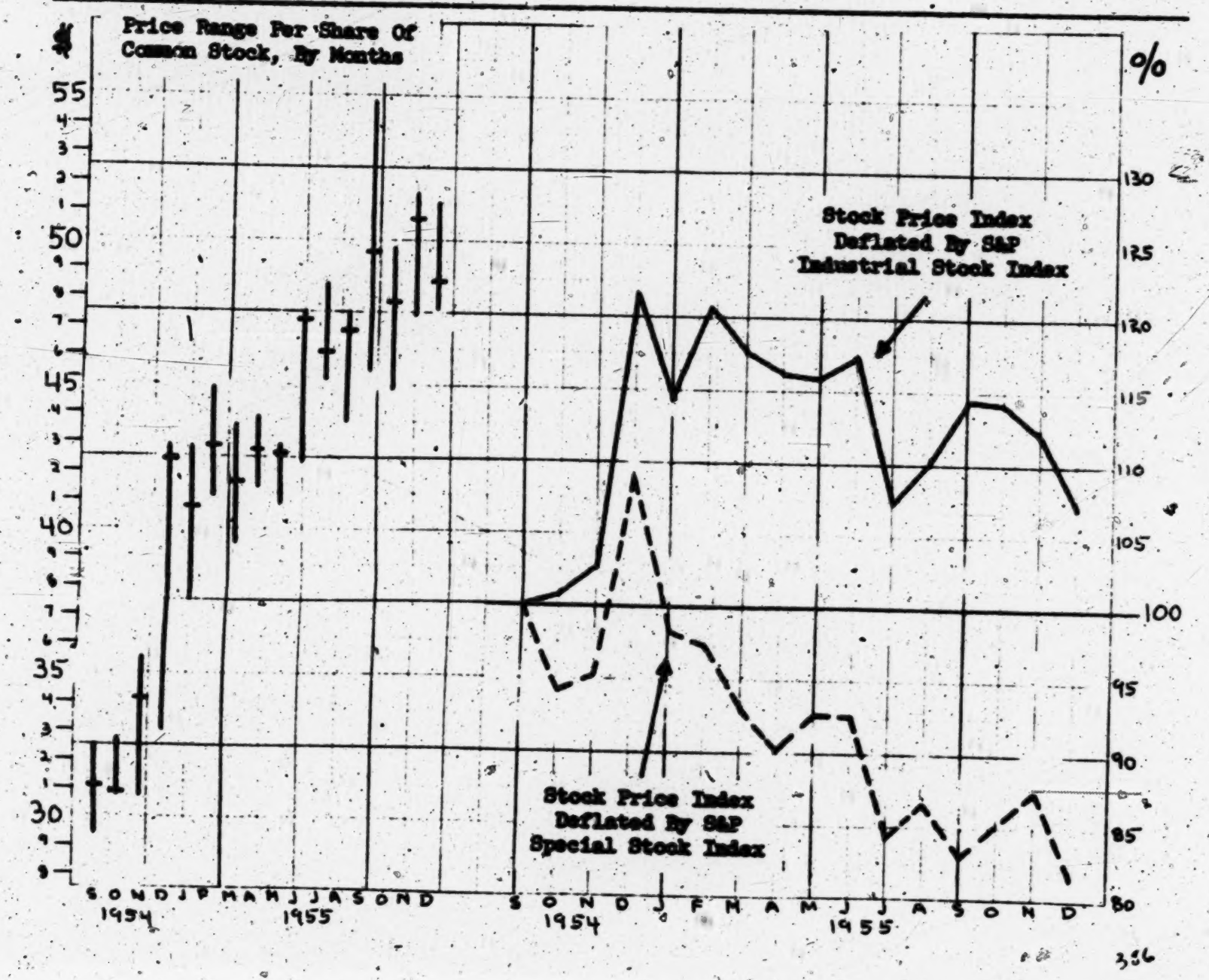
(b)

Orig. Offering	434,500
Sold	453,081
Offer. Price Per Sh.	$67.875
Gross Proceeds:	
Based on No. Shs. in Orig. Offering	$29,497,525
Based on No. of Shares Sold	$30,752,873

Offerings represented per cent of stock outstanding as follows:
(a) Nov. 24-26. . . . 4.41%
(b) Dec. 6 . . . . . 5.93%

Per Cent Change In Monthly Closing Figures

From	To	(1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Steel Stocks
Sept. 54	Oct. 54	- 1.00	- 1.74	↓5.06
Oct.	Nov.	↑10.53	↓ 8.35	↓9.39
Nov.	Dec.	↑24.36	↓ 5.11	↓8.55
Dec.	Jan. 55	- 3.98	↓ 2.01	↓6.55
Jan. 55	Dec.	↑19.33	↑27.51	↑3.76



GOVERNMENT TRIAL EXHIBIT

693

356

IAL: AVERAGE

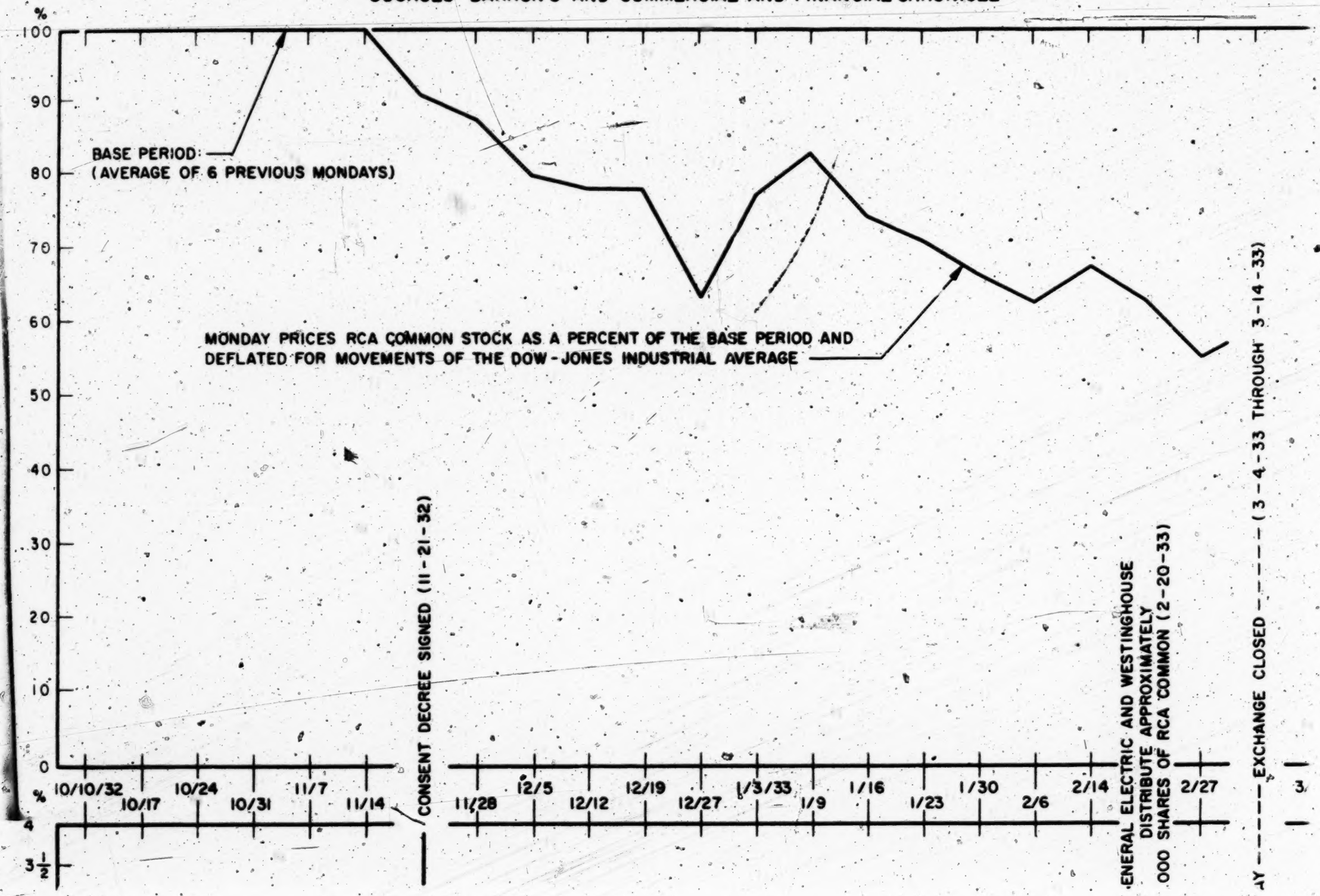
3082

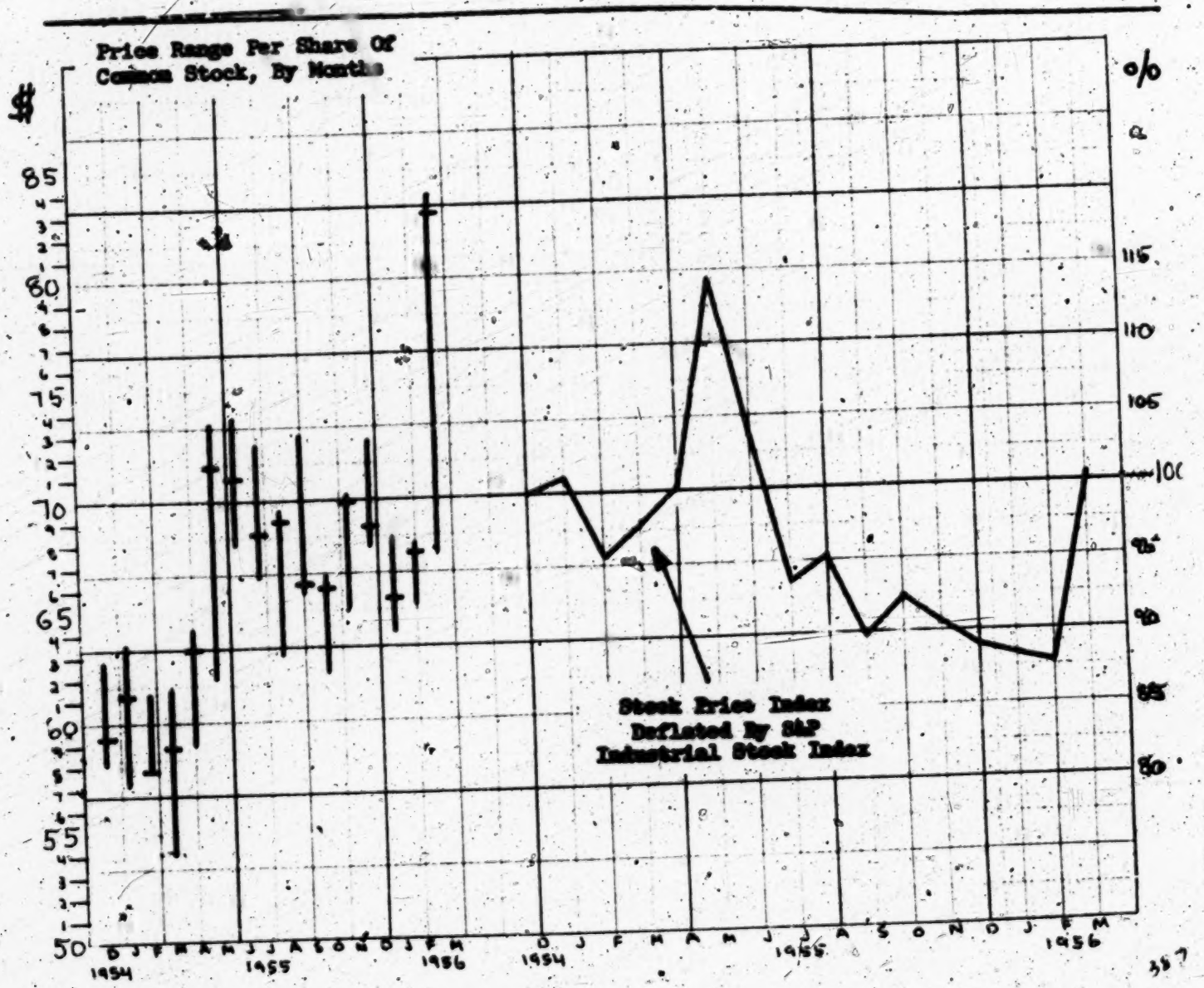
GENERAL ELECTRIC AND WESTINGHOUSE DISTRIBUTE APPROXIMATELY
6,150,000 SHARES OF RCA COMMON (2-20-33)

BANK HOLIDAY ------EXCHANGE CLOSED ------(3-4-33 THROUGH 3-14-33)

DEFLATED PRICES AND VOLUME OF TRADING RCA STOCK OCTOBER 10, 1932 THROUGH

SOURCES: BARRON'S AND COMMERCIAL AND FINANCIAL CHRONICLE




Price Range Per Share Of Common Stock, By Months
$
%
85
80
75
70
65
60
55
50
115
110
105
100
95
90
85
80
Stock Price Index Deflated By S&P Industrial Stock Index
D J F M A M J J A S O N D J F M
1954
1955
1956
D J F M A M J J A S O N D J F M
1954
1955
1956

[fol. 3462]

CORNING GLASS WORKS

Price Range of Common Stock By Months
December 1954 to March 1956

(Adjusted to Reflect Two-and-One-Half-For-One Split Effective January 1955)

Year and Month	Price Per Share High	Low	Close	Index Numbers (Dec. 1954 Equals 100) Monthly Closing Prices For Corning Glass Works Common Stock (1) Stock Price	(2) Stock Price Deflated By S&P Industrials 1/
	$	$	$		
Dec. 54	62.700	58.200	59.400	100.00	100.00
Jan. 55	63.500	57.200	61.200	103.03	101.00
Feb.	61.375	57.750	57.750	97.22	95.56
Mar.	61.500	54.000	58.875	99.12	97.76
Apr.	64.250	59.000	63.375	106.69	101.25
May	73.500	62.000	71.500	120.37	114.21
June	73.750	68.000	71.000	119.53	103.54
July	72.500	66.500	68.500	115.32	93.66
Aug.	69.500	63.000	69.000	116.16	95.22
Sept.	72.875	65.750	66.250	111.53	89.75
Oct.	66.500	62.250	66.000	111.11	92.42
Nov.	70.250	65.125	69.875	117.63	90.60
Dec.	72.625	67.875	68.750	115.74	88.98
Jan. 56	68.250	64.000	65.500	110.27	88.43
Feb.	68.000	65.250	67.500	113.64	87.75
Mar.	83.750	67.500	83.000	139.73	100.53

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) have been converted, for purposes of this table, to Dec. 1954 base. The deflated index numbers state the Corning Glass stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

Distribution Began 3/29/55
Ended 3/30/55

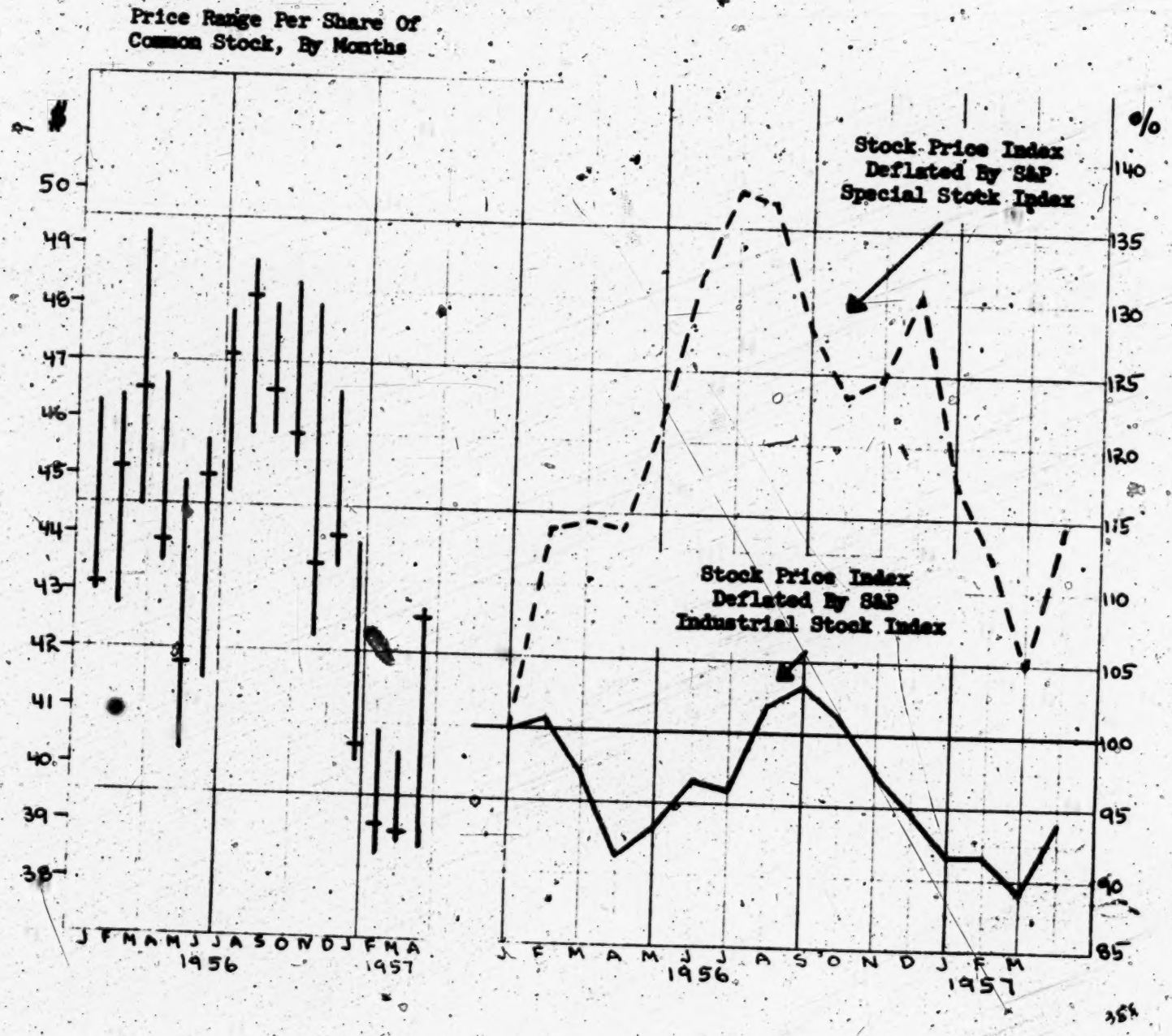
No. of Shs. in Orig. Offering 464,700
No. of Shs. Sold 476,513
Offering Price Per Share $58.75
Gross Proceeds:
Based on No. Shs. in Orig. Offering $27,301,125
Based on No. Shs. Sold $27,995,139

Offering represented 6.99% of stock outstanding.

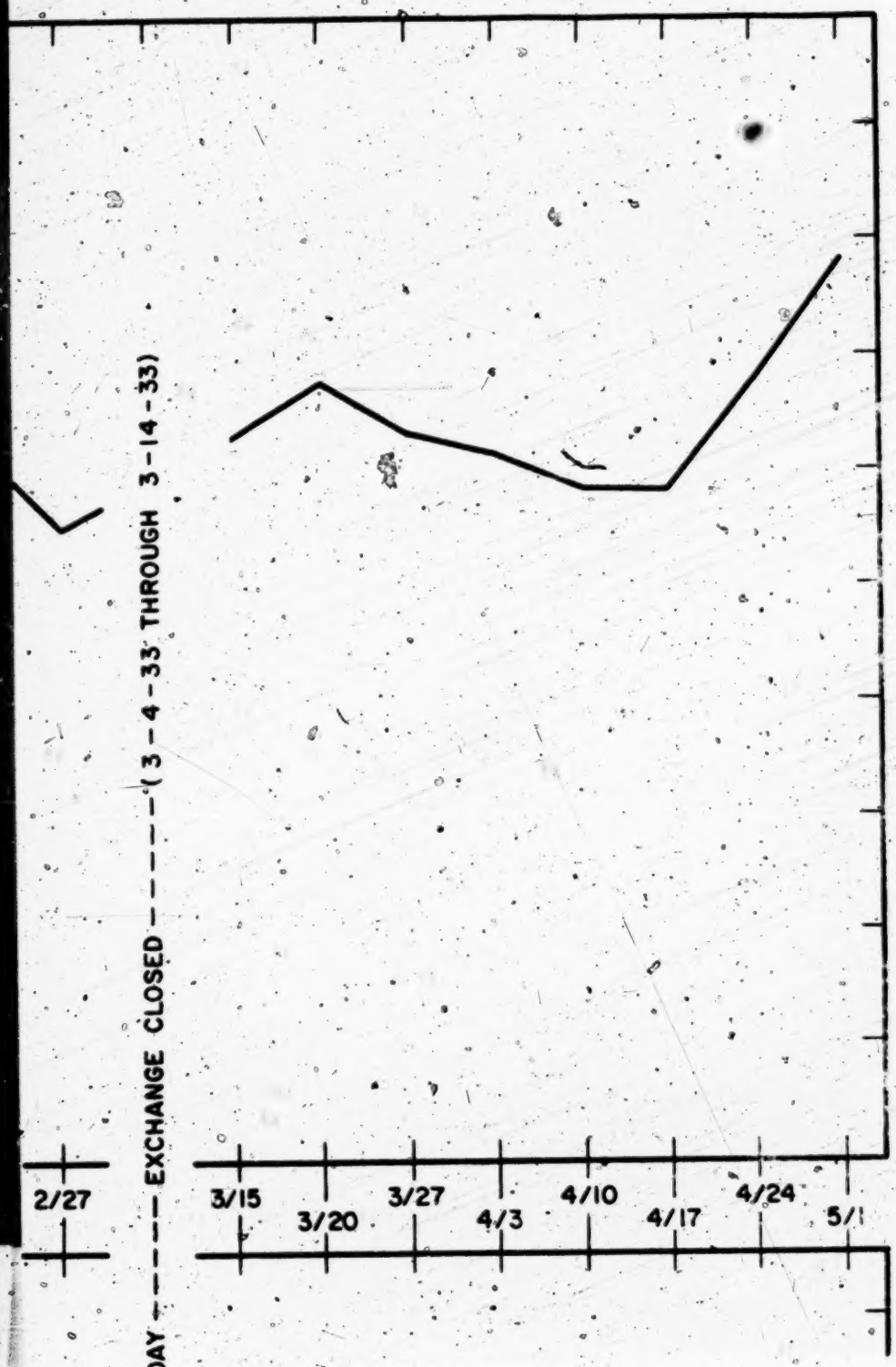
From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	(2) S&P Industrial Stock Price Index
Dec. 54	Jan. 55	+ 3.03	+ 2.01
Jan. 55	Feb.	- 5.64	- 0.26
Feb.	Mar.	+ 1.95	- 0.34
Mar.	Apr.	+ 7.64	+ 3.92
Apr.	Mar. 56	+30.97	+31.91

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 664.


Price Range Per Share Of
Common Stock, By Months
$
50
49
48
47
46
45
44
43
42
41
40
39
38
J F M A M J J A S O N D J F M A
1956
1957
%
140
135
130
125
120
115
110
105
100
95
90
85
Stock Price Index
Deflated By S&P
Special Stock Index
Stock Price Index
Deflated By S&P
Industrial Stock Index
J F M A M J J A S O N D J F M
1956
1957

2 THROUGH MAY 1, 1933



[fol. 3463]

GENERAL MOTORS CORP.

Price Range of Common Stock By Months, January 1956 to April 1957

Year and Month	Price Per Share High	Low	Close
	$	$	$
Jan. 56	46.250	43.000	43.125
Feb.	46.375	42.750	45.125
Mar.	49.250	44.500	46.500
Apr.	46.750	43.500	43.875
May	44.875	40.250	41.750
June	45.625	41.500	45.000
July	47.875	44.750	47.125
Aug.	48.750	45.750	48.125
Sept.	48.000	45.750	46.500
Oct.	48.375	45.375	45.750
Nov.	48.000	42.250	43.500
Dec.	46.500	43.500	44.000
Jan. 57	43.875	40.125	40.375
Feb.	40.625	38.500	39.000
Mar.	40.250	38.750	38.875
Apr.	42.750	38.625	42.625

Index Numbers (January 1956 Equals 100)
Monthly Closing Prices For General Motors Com. Stk
Stock Price Deflated By: 1/

Year and Month	(1) Stock Price	(2) S&P Industrials	(3) S&P Auto Stocks (Excluding GM)
Jan. 56	100.00	100.00	100.00
Feb.	104.64	100.76	113.84
Mar.	107.82	96.74	114.35
Apr.	101.74	91.21	113.85
May	96.81	93.41	121.57
June	104.35	96.51	131.52
July	109.27	95.96	137.46
Aug.	111.59	101.87	136.80
Sept.	107.82	103.24	128.16
Oct.	106.09	101.09	123.33
Nov.	100.87	97.29	124.62
Dec.	102.03	94.61	130.51
Jan. 57	93.62	91.52	117.64
Feb.	90.43	91.57	112.53
Mar.	90.14	89.11	104.91
Apr.	98.84	93.96	114.58

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 4 Auto Stocks (Excluding GM) have been converted, for purposes of this table, to January 1956 base. The deflated index numbers state the General Motors stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

Distribution Began 4/30/56
Ended 5/1/56

No. of Shs. in Orig. Offering 1,278,833
No. of Shs. Sold 1,302,457
Offering Price Per Sh. $43.75
Gross Proceeds:
Based on No. of Shs. in Orig. Offering $55,948,944
Based on No. of Shares Sold $56,982,494

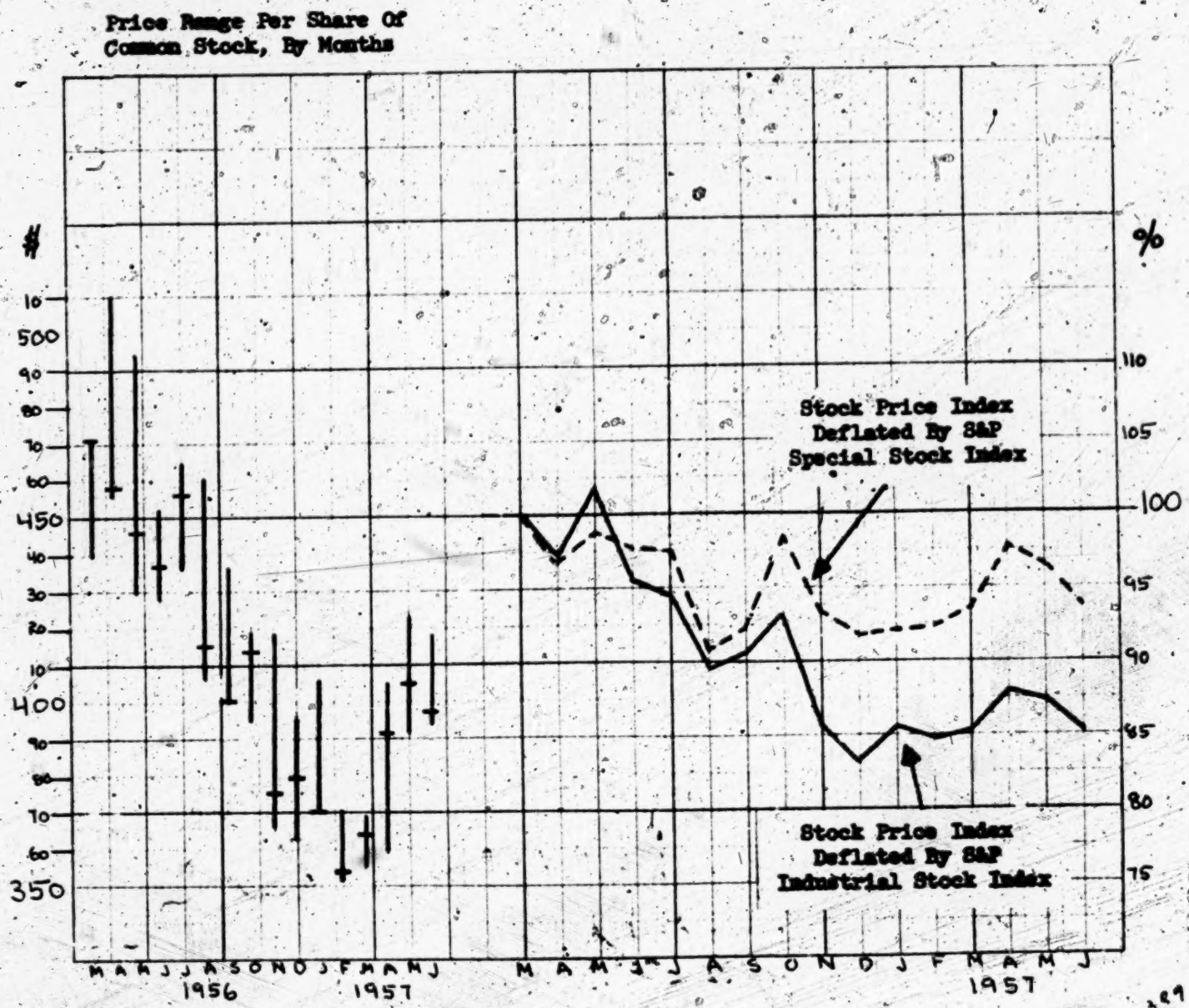
Offering represented 0.46% of the average number of common shares outstanding during 1956.

Per Cent Change In Monthly Closing Figures

From	To	(1) Stock Price	(2) S&P Stock Price Index Industrials	(3) S&P Stock Price Index Auto Stocks (Excluding GM)
Jan. 56	Feb. 56	+4.64	+3.85	-8.08
Feb.	Mar.	+3.05	+7.32	+2.58
Mar.	Apr.	-5.65	+0.08	-5.23
Apr.	May	-4.84	-7.09	-10.88
May	Apr. 57	+2.10	+1.50	+8.32

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT No. 665


Price Range Per Share Of Common Stock, By Months
#
%
10
500
90
80
70
60
450
40
30
20
10
400
90
80
70
60
350
110
105
100
95
90
85
80
75
Stock Price Index Deflated By S&P Special Stock Index
Stock Price Index Deflated By S&P Industrial Stock Index
M A M J J A S O N D J F M A M J
1956
1957
M A M J J A S O N D J F M A M J
1957

[fol. 3464]

ROHM & HAAS CO.

Price Range of Common Stock
March 1956 to June 1957

Year and Month	Price Per Share High	Low	Close	Index Numbers (March 1956 Equals 100) Monthly Closing Prices For Rohm & Haas Com. Stock. Stock Price Deflated By: 1/ (1) Stock Price	(2) S&P Industrials	(3) S&P Chemical Stocks
	$	$	$			
Mar. 56	471.500	440.000	471.500	100.00	100.00	100.00
Apr.	510.000	455.750	458.000	97.13	97.06	96.60
May	494.000	429.500	446.000	94.59	101.73	98.75
June	452.000	427.500	436.750	92.63	95.49	97.65
July	464.750	436.500	456.000	96.71	94.67	97.43
Aug.	460.000	406.500	415.500	88.12	89.66	90.68
Sept.	436.000	400.000	400.500	84.94	90.65	92.16
Oct.	419.000	395.000	413.500	87.70	93.14	98.45
Nov.	418.500	366.000	375.000	79.53	85.50	93.37
Dec.	395.000	362.500	379.000	80.38	83.08	91.79
Jan. 57	406.000	370.000	370.000	78.47	85.50	92.17
Feb.	370.000	351.000	354.000	75.08	84.74	92.29
Mar.	368.500	354.500	364.000	77.20	85.06	93.58
Apr.	405.500	359.000	391.500	83.03	87.98	97.68
May	423.500	391.750	405.500	86.00	87.30	96.50
June	418.000	393.500	397.000	84.20	85.11	93.61

1/ The end-of-month figures for Standard & Poor's Daily Stock Price Index (Industrials) and the S&P monthly average Stock Price Index for 11 Chemical Stocks have been converted, for purposes of this table, to March 1956 base. The deflated index numbers state the Rohm & Haas stock price index as a percentage of these adjusted S&P index numbers.

Secondary Distribution

Distribution Began 6/20/56
Ended 6/26/56

No. of Shs. in Orig. Offering	79,213
No. of Shs. Sold	76,213
Offering Price Per Sh.	$440.00
Gross Proceeds:	
Based on No. of Shs. in Orig. Offering	$34,853,720
Based on No. of Shs. Sold	$33,533,720

Offering represented 7.83% of stock outstanding.

From	To	Per Cent Change In Monthly Closing Figures (1) Stock Price	S&P Stock Price Index (2) Industrials	(3) Chemical Stocks
Mar. 56	Apr. 56	- 2.86	+ 0.08	+0.55
Apr.	May	- 2.62	- 7.09	-4.75
May	June	- 2.07	+ 4.32	-0.95
June	July	+ 4.41	+ 5.32	+4.64
July	June 57	-12.94	- 3.16	-9.38

Price Range Per Share Of Common Stock, By Months

GOVERNMENT TRIAL EXHIBIT NO. 666

Offering of Industrial Common Stocks to Stockholders

($50,000,000 and over)
1936 - Feb. 6, 1959, Inclusive

Company	Date of Prospectus	No. Shares Offered	% of New Shs. to Outs. Shs.	Subscription Price	Total (000)	Conditions of Offering*	(1) % Subscribed	Closing Market Price Date Prior to Date of Prospectus	% Discount from Market Price	Low Price During the Subscription Period
Texas Corp. (2)	2/5/31	1,556,694	16 67/100	$ 40.00	$ 62,268	N.U.	98.72	58.1/2	31.62	51 1/8
Montgomery Ward & Co.	7/18/46	1,304,286	25.00	50.00	65,214	N.U.	98.54	70 7/8	34.96	71
American Tobacco "B"	4/3/47	896,404	20.00	57.50	51,543	U.	95.29	71 1/4	19.30	61 1/8
Texas Co.	9/17/47	2,248,932	20.00	45.00	101,202	N.U.	98.30	59 5/8	24.53	53 3/4
Gulf Oil Corp. (3)	1/27/48	2,269,050	25.00	51.00	115,722	U	99.58	61 7/8	17.58	51 7/8
Imperial Oil, Ltd.	11/16/51	2,713,384	10.00	29.50(Cdn.)	80,045(Cdn.)	N.U.(4)	100.00(4)	40 (Cdn.)	26.25	35
American Tobacco Co.	3/5/52	1,075,685	20.00	52.00	55,936	U.	97.41	60 3/4	14.40	57
Socony-Vacuum Oil Co. (5)	9/25/52	3,180,188	10.00	31.00	98,586	U.	96.10	35 1/8	11.74	32 3/4
AT	2/8/55	4,380,683	5.00	75.00	328,551	U.	98.48	102	26.47	98 1/4
Sperry Rand Corp.	7/9/56	2,570,846	10.00	20.50	52,702	U	97.41	25	18.00	24 1/2
Imperial Oil, Ltd.	11/9/56	1,504,271	5.00	44.00(Cdn.)	66,188(Cdn.)	N.U.(4)	100.00(4)	58 (Cdn.)	24.14	50
Crucible Steel Corp.	1/10/57	1,088,179	10.00	56.00	60,938	U.	96.30	63 1/8	11.89	57 3/8
Socony Mobil Oil Co.	1/30/57	4,379,758	10.00	45.50	199,279	U.	97.16	53 1/8	14.35	47 3/8
Lincoln Co.	2/14/57	1,734,805	20.00	50.00	86,743	U.	97.53	63 3/4	21.57	57 3/4
International Business Machines Corp.	5/21/57	1,050,223	10.00	220.00	231,049	U.	99.81	337	34.72	288
Standard Oil (N.J.)	11/8/57	6,549,124	3.33	44.00	288,161	U	99.18	58 5/8	16.39	47 5/8
Royal Dutch Petroleum	1/17/58	7,602,285	12.50	30.00	228,069	U	99.79	38 3/8	21.83	37 1/2

* N. U. - not underwritten, U. - underwritten

(1) Including shares subscribed by underwriting group.
(2) Name subsequently changed to The Texas Company
(3) Includes 1,213,698 shares of Gulf Oil Corp. stock offered by the Underwriters in one block on January 28, 1948 at $59 a share ($71,608,182), resulting from the purchase (almost all from the Mellon family interests) and exercise of 4,854,792 rights.
(4) Standard Oil (N.J.), parent, agreed to purchase the new shares to which it was entitled to subscribe, viz: about 69%, and all shares unsubscribed for by stockholders were purchased by the employees' Thrift Fund.
(5) Name subsequently changed to Socony Mobil Oil Co

[fol. 3505] DEFENDANTS' TRIAL EXHIBIT No. DP-31

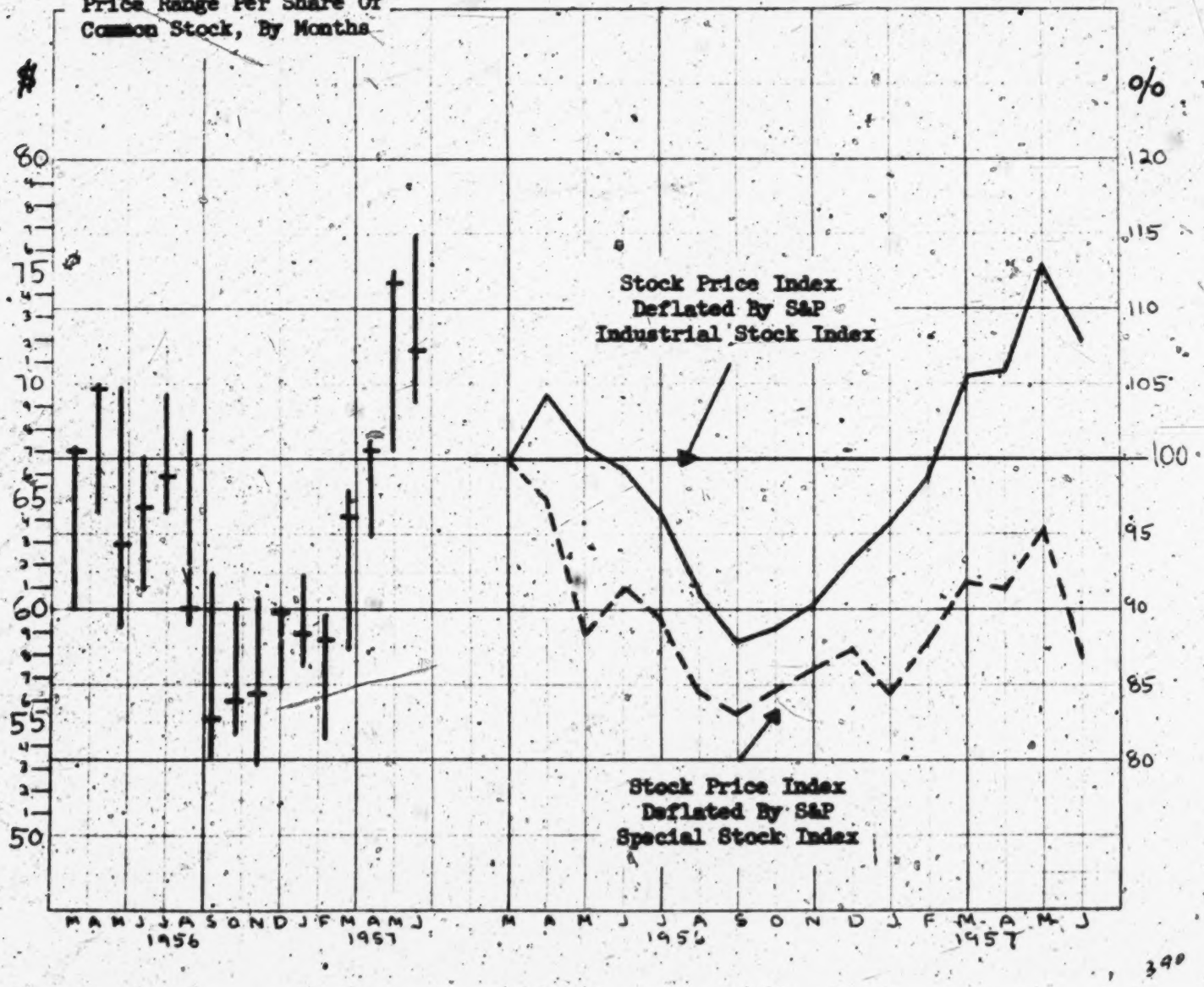
General Motors Corporation

Common Stock ($5 Par Value)

Price Range Related to 1955 Rights Offering to Shareholders *

	High	Low	Close	Closing Dow Jones Industrial Average
27 Dec. 1954	95⅝	93¾	93¾	393.88
28	95¼	93⅝	94⅞	398.51
29	97½	95	97	401.97
30	97⅝	96½	96⅝	401.97
31	98¾	96½	97⅛	404.39
3 Jan. 1955 Opening Sale: 15,000 @ 102 10:36 a.m. Financing Notice @ 4:58 p.m.	107⅜	101½	105⅛	408.89
4 Opening Sale @ 99	102½	99	100¾	406.17
5	100	97⅛	97⅛	397.24
6	97⅜	94½	96½	391.89
7	97⅛	96¼	97	395.60
10	98⅛	97½	98⅛	400.89
11	98¼	96¾	97¼	400.25
12	97⅛	95⅜	96⅛	399.78
13	96⅛	95⅛	95⅝	398.34
14	95½	94¾	95⅛	396.54
17	95	92¼	93	388.20
18	94	92	94	390.98
19	95⅛	94⅜	94½	392.31
20 (Date of Filing Registration Statement)	95¾	94¼	95⅝	393.03
21	97⅝	95⅞	97¼	395.90
24	97¾	97½	97⅝	396.00
25	97⅝	96	97⅜	397.00
26	99⅝	97¾	99⅝	401.97
27	100⅜	98½	98⅝	402.60
28	99	98¼	98⅞	404.68
31	98⅞	98	98¾	408.83
1 Feb. 1955	99	98⅝	99	409.70
2	99	98	98⅜	407.11
3	98⅛	97⅜	97⅞	405.85
4 du Pont Announcement	101½	97⅜	101⅜	409.76

* The underwriters purchased rights to 493,773 shares, exercised those rights and sold the resulting shares. There were 66,427 unsubscribed shares. Thus the underwriters distributed an aggregate of 560,200 shares.


Price Range Per Share Of Common Stock, By Months
$
%
80
75
70
65
60
55
50
120
115
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105
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95
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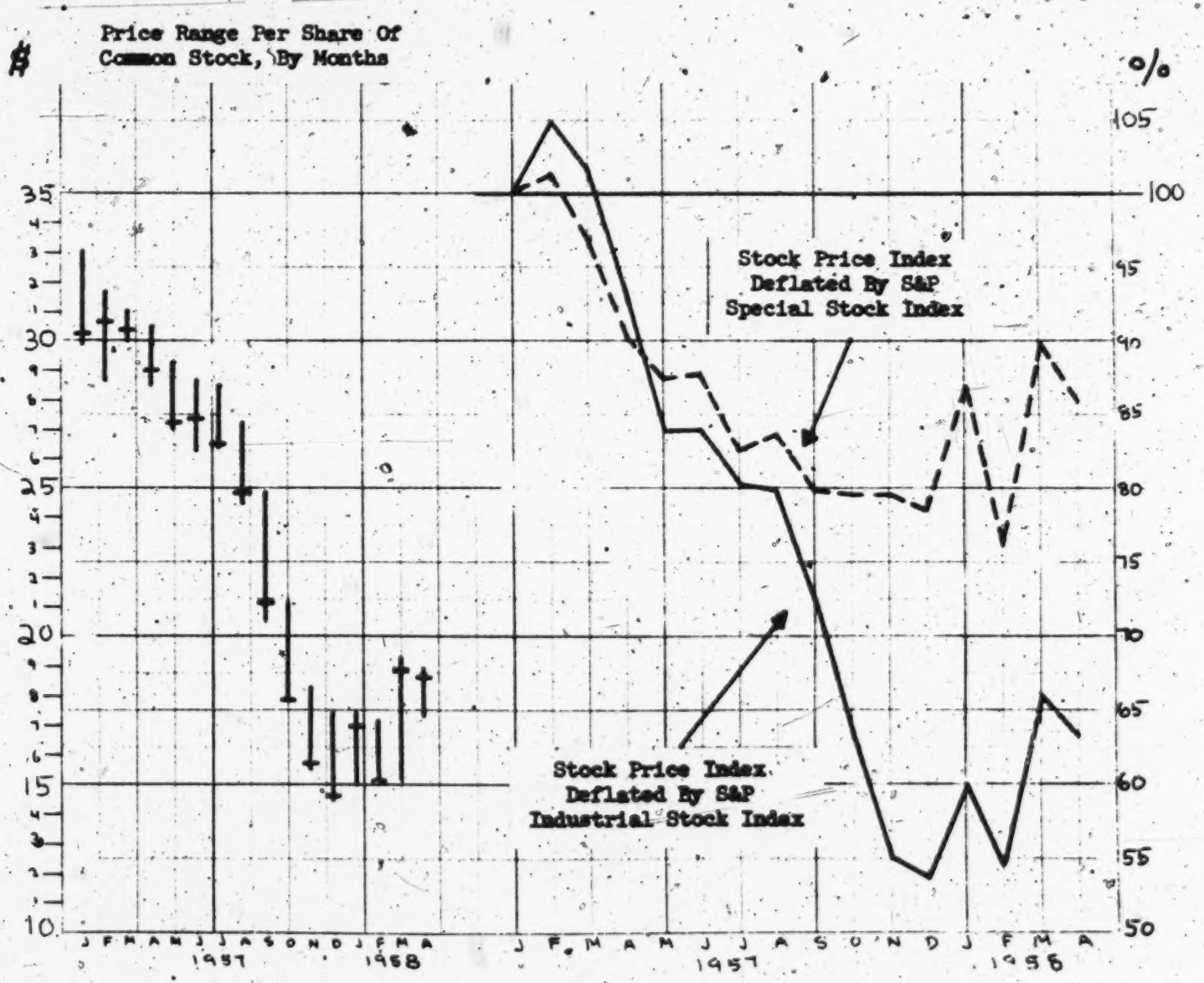
85
80
Stock Price Index Deflated By S&P Industrial Stock Index
Stock Price Index Deflated By S&P Special Stock Index
M A M J J A S O N D J F M A M J
1956
1957
M A M J J A S O N D J F M A M J
1956
1957


Price Range Per Share Of Common Stock, By Months
$
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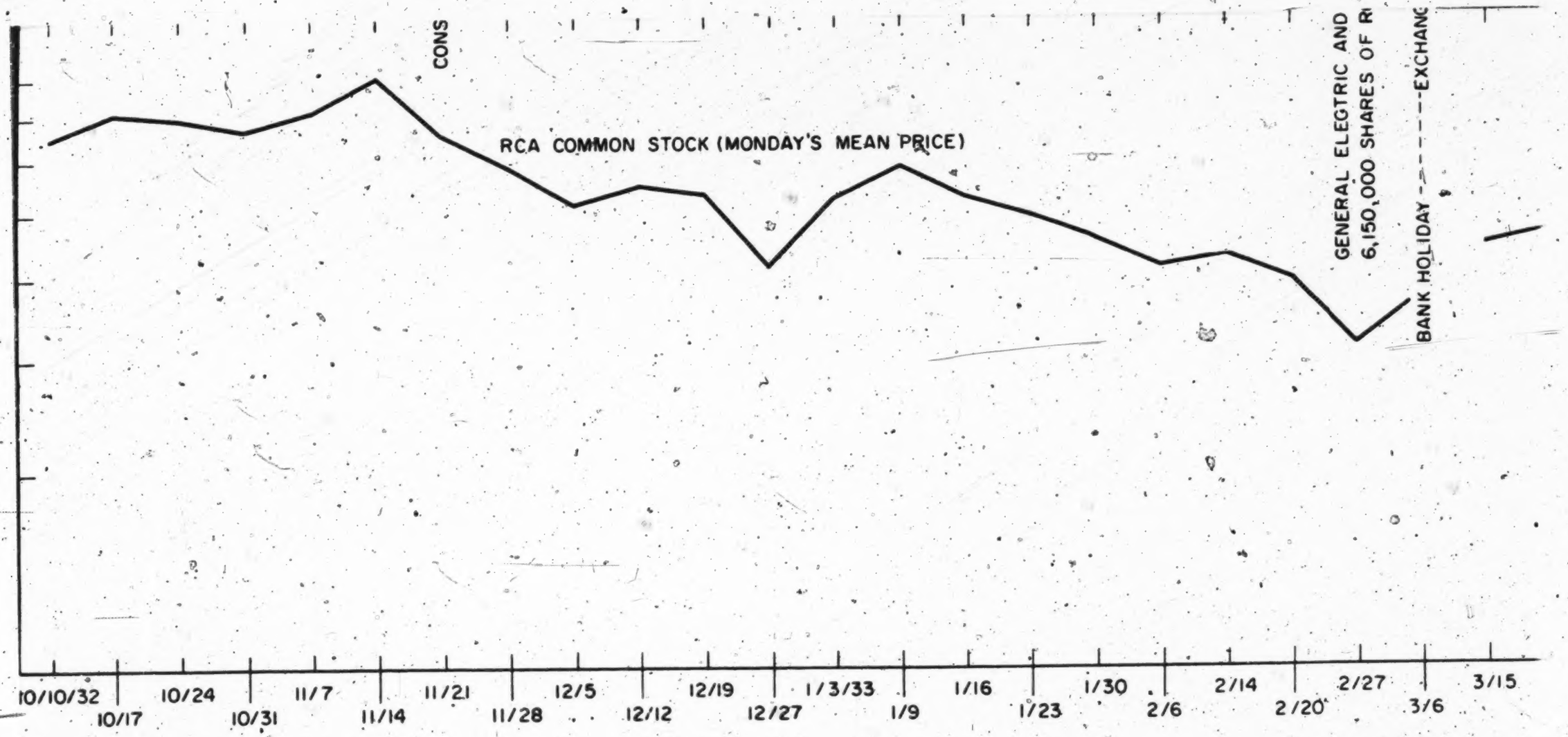
Stock Price Index Deflated By S&P Special Stock Index
Stock Price Index Deflated By S&P Industrial Stock Index
J F M A M J J A S O N D J F M A
1957
1958
J F M A M J J A S O N D J F M A
1957
1958


CONS
RCA COMMON STOCK (MONDAY'S MEAN PRICE)
GENERAL ELEGTRIC AND
6,150,000 SHARES OF R
BANK HOLIDAY ----------EXCHANG
10/10/32
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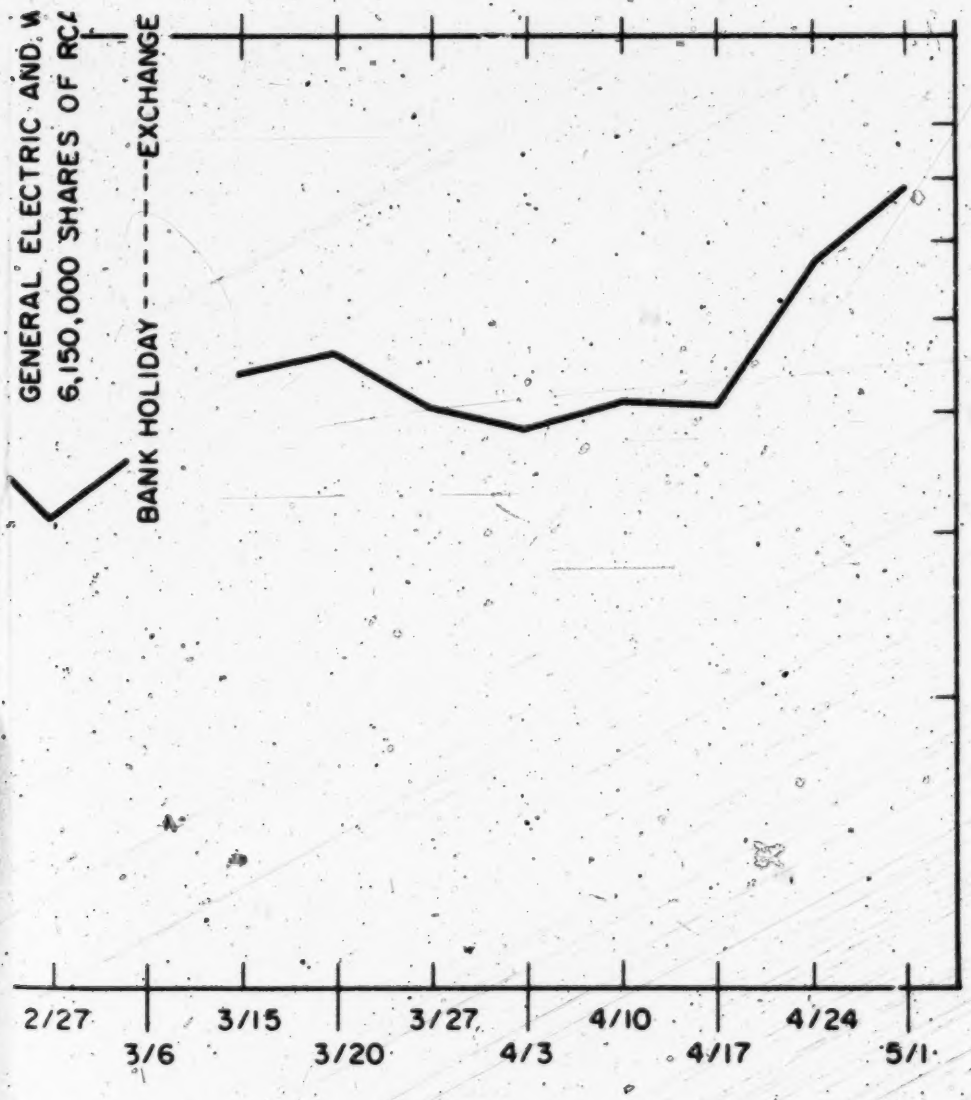
GENERAL ELECTRIC AND W
6,150,000 SHARES OF RC
BANK HOLIDAY
EXCHANGE
2/27
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4/24
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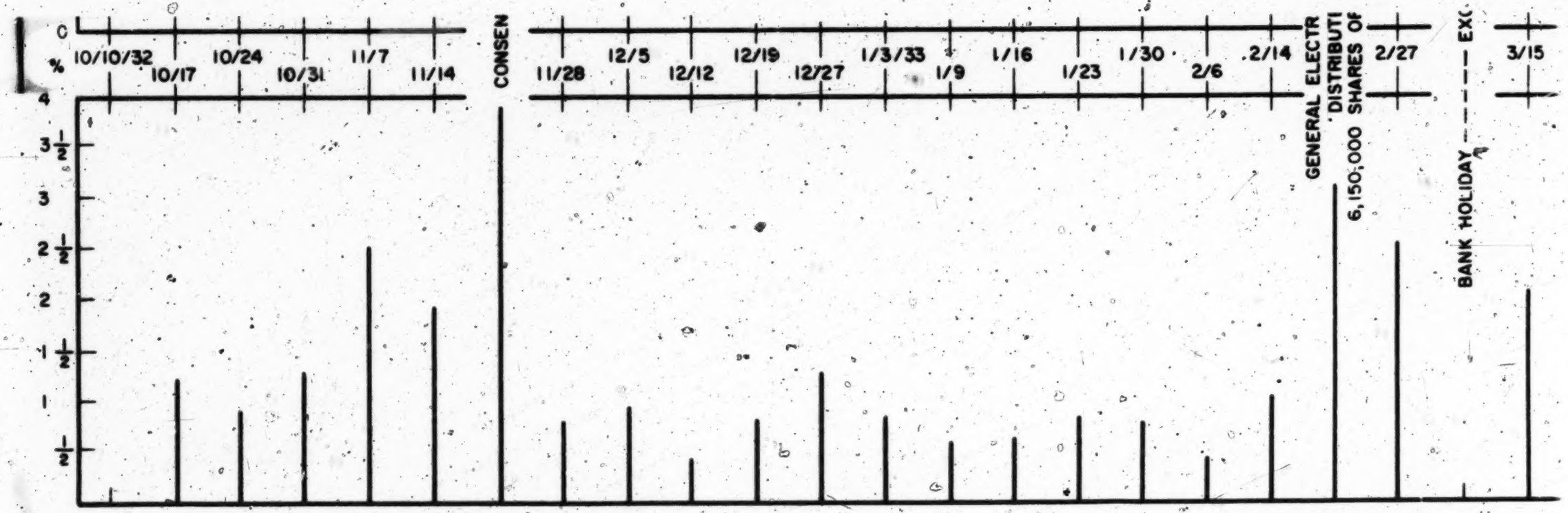
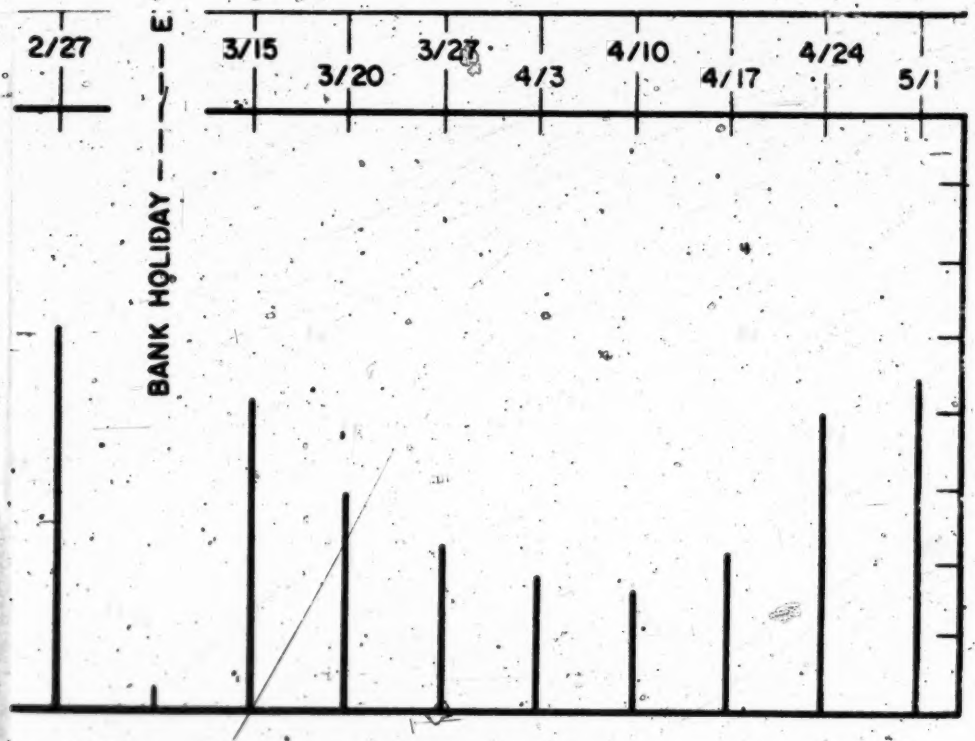


PERCENTAGE OF WEEKLY VOLUME OF TRADING (SATURDAYS THROUGH FRIDAYS) OF RCA TO TC



) OF RCA TO TOTAL ON NYSE

[fol. 3506] General Motors Corporation

Common Stock ($5 Par Value)

Price Range Related to 1955 Rights Offering to Shareholders

	High	Low	Close	Closing Dow Jones Industrial Average
7 Dow-Jones 3:40 p.m. Subs. Price @ $75	102⅞	101⅛	102	409.59
8 Registration Statement Effective at 11:00 A. M.	100⅞	99⅛	99⅛	405.70
9 Ex Dividends and Ex Rights, Initial "Lay Off"	98	96¾	97⅞	410.32
10	99⅜	98⅜	99	412.89
11	98⅞	97	97⅜	413.99
14	97¾	95¼	95¼	411.39
15	95½	94⅜	94⅞	411.95
16	94⅝	93½	93⅝	409.98
17	94¼	93¾	93¾	410.41
18	94⅞	93⅞	94½	411.63
21	94⅜	93⅝	93¾	411.28
23	93⅝	93⅜	93⅜	411.48
24	93¼	92½	93	410.30
25	94⅛	92¼	93⅞	409.50
28	95¼	94	94¼	411.87
1 Mar. 1955	94⅜	93¾	94	413.71
2	95¼	94	95¼	417.18
3	96⅞	95⅞	96½	418.33
4	98⅜	96½	98	419.68
7 Rights Expired @ 6:00 p.m.	98⅜	96¾	96⅞	416.84
8 Dow-Jones 11:54 a.m. RE: 2% Unsubscr.	96¾	93¼	93½	409.13
9 Final Lay Off @ 94½	94¾	93	94⅜	404.90
10	95½	94⅜	94⅜	406.83
11	94¼	91¾	92⅞	401.08
14	92¾	89½	90¾	391.36
15	93⅜	91⅜	93⅜	399.28
16	94⅜	93⅝	93⅞	403.14
17	93⅞	93½	93¾	405.23
18	94⅞	94	94½	404.75
21	94⅜	93⅝	93⅜	402.40
22	94¼	93⅜	94⅛	404.27
23	95¼	94½	94⅞	410.87
24	96	95⅛	95½	414.69
25	95⅞	94⅞	95⅝	414.77

(Here follows 1 Photolithograph, side folio 3507)

INDUSTRIAL COMMON STOCK OFFERINGS (NOT OFFERED TO STOCKHOLDERS)
$30,000,000 or Over - 1936 - March 10, 1959 Incl.

Company	Offering or Prospectus Date	Number of Shares Offered	Offering Price	Total Amount of Offering ($000)	% Change in Average of Week's Closing Prices Four Weeks Before Offering to Offering Price: Stock	Dow-Jones Ind. Av.	Impact	% Change in Average of Week's Closing Prices Four Weeks Before Offering to Two Weeks After Offering: Stock	Dow-Jones Ind. Av.	Impact
Oil	6/7/43	764,500	45 1/2	$ 36,314	0.0%	+ 2.9%	2.9%	- 2.6%	+ 2.0%	4.6%
inium Ltd. (1)(2)	2/27/51	333,000	91	30,303	- 5.4	+ 0.2	5.6	-10.9	- 1.5	9.4
anto Chemical	2/4/52	400,000	98	39,200	- 6.2	+ 0.1	6.3	-11.3	- 3.1	8.2
rpillar Tractor	4/2/56	500,000	68 3/4	34,375	+ 4.2	+ 4.5	0.3	+ 0.3	+ 2.9	2.6
& Haas	6/20/56	79,213	440	34,854	- 3.0	+ 1.0	4.0	- 3.2	+ 3.7	6.9
s Gulf Sulphur (1)	4/8/57	1,200,759	28 7/8	34,672	- 4.2	+ 1.5	5.7	- 1.2	+ 4.1	5.3
ral Motors	4/30/56	1,278,833	43 3/4	55,949	- 3.8	- 0.3	3.5	- 7.1	- 4.2	2.9
hn	12/10/58	2,410,000	45	108,450	-33.2	+ 0.5	33.7	-31.8	+ 1.4	33.2
ERAGE IMPACT							7.8%			9.1%
ERAGE IMPACT EX-UPJOHN							4.0%			5.7%
revious Public Market										
ican Viscose	5/26/41	1,568,000	24	37,632						
ring Corp.	3/10/52	1,760,000	17 1/2	30,800						
bell Soup	11/17/54	1,300,000	39 1/4	51,025						
Motor	1/18/56	10,200,000	64 1/2	657,900						
ersal Oil Processes	2/4/59	2,900,000	25	72,500						

NOTE: % Change computed on the basis of Average of Week's Closing Stock Prices (Four Weeks Before - Two Weeks After) and Average of Week's Closing Dow-Jones Industrial Average Indices (Four Weeks Before - Two Weeks After).

(1) Non-Registered Secondary Offerings.

(2) Includes 125,000 shares sold in Canada at $98 (Can.) a share. Total dollar amount calculated on basis of U. S. price.

[fol. 3508] DEFENDANTS' TRIAL EXHIBIT NO. DP-33

Decline in Market Price of General Motors Common Stock During Selected Periods 1946–1957:

Dates	Period	Decline in Points	Decline in %	Dow-Jones Industrials Decline in %
5/29/46 to 10/30/46	5 months 1 day	28⅛	37.1	22.7
2/11/47 to 5/19/47	3 months 8 days	13¾	20.9	11.1
10/9/50 to 12/15/50	2 months 6 days	11⅜	20.8	2.3
3/17/53 to 9/15/53	5 months 29 days	14¾	21.6	11.3
7/16/57 to 12/19/57	5 months 3 days	14⅝	20.3	16.7

(Source: Wall Street Journal, Commercial and Financial Chronicle, and Bank and Quotation Record)

[fol. 3509]

DEFENDANTS' TRIAL EXHIBIT NO. DP-34

E. I. du Pont - General Motors Case

Comparison of Dividend Tax vs. Capital Gains Tax for du Pont Common Stockholders

Maximum Tax Bracket	Market Value of Dividend in GM Stock @ $35 X 1.38 shs.	Income Tax (1) on Shares Received in Distribution	Break Even Cost Basis * When GM is $35 and du Pont is: $180	$170	$160	$150	Market Value of Dividend in GM Stock @ $40 X 1.38 shs.	Income Tax (1) on Shares Received in Distnibution	Break Even Cost Basis * When GM is $40 and du pont is: $180	$170	$160	$150
87%	$48.30	$40.09	$19.64	$ 9.64	$ -	$ -	$55.20	$45.81	$ -	$ -	$ -	$ -
81	48.30	37.19	31.24	21.24	11.24	1.24	55.20	42.50	10.00	-	-	-
75	48.30	34.30	42.80	32.80	22.80	12.80	55.20	39.19	23.24	13.24	3.24	-
67	48.30	30.43	58.28	48.28	38.28	28.28	55.20	34.77	40.92	30.92	20.92	10.92
65	48.30	29.47	62.12	52.12	42.12	32.12	55.20	33.67	45.32	35.32	25.32	15.32
62	48.30	28.02	67.92	57.92	47.92	37.92	55.20	32.01	51.96	41.96	31.96	21.96
56	48.30	25.12	79.52	69.52	59.52	49.52	55.20	28.70	65.20	55.20	45.20	35.20
52	48.30	23.19	87.24	77.24	67.24	57.24	55.20	26.49	74.04	64.04	54.04	44.04
50	48.30	22.22	91.12	81.12	71.12	61.12	55.20	25.39	78.44	68.44	58.44	48.44
43	48.30	18.84	92.37	82.37	72.37	62.37	55.20	21.53	79.86	69.86	59.86	49.86
38	48.30	16.42	93.58	83.58	73.58	63.58	55.20	18.77	81.21	71.21	61.21	51.21
34	48.30	14.49	94.76	84.76	74.76	64.76	55.20	16.56	82.59	72.59	62.59	52.59
30	48.30	12.56	96.27	86.27	76.27	66.27	55.20	14.35	84.33	74.33	64.33	54.33

NOTE: * The Break Even Cost Basis shows the point of cost of a holder's du Pont Common above which it would be advantageous (from a tax viewpoint) to sell du Pont and pay the capital gains tax thereon rather than to receive GM shares in a distribution and pay the dividend tax on such a distribution.

(1) Income Tax shown reflects the 4% Dividend Credit but does not reflect the dividend exclusion allowance.

Dependants' Trial Exhibit No. DP-33—Continued

[fol. 3510] Calculation of Break Even Point

Example—1

Individual in 75% Tax Bracket

Distribution				
GM @ $35X1.38	= $ 48.30			
Dividend Tax $48.30X75%	= $ 36.23			
Dividend Tax Adjusted for 4% Dividend Credit	= $ 34.30			
Capital Gains				
Capital Gains Tax	$ 34.30	$ 34.30	$ 34.30	$ 34.30
Capital Gain (TaxX4)	137.20	137.20	137.20	137.20
Market Price du Pont sold @	180.00	170.00	160.00	150.00
Capital Gain	137.20	137.20	137.20	137.20
Purchase Price of du Pont for Break Even Point	42.80	32.80	22.80	12.80
	Saving			

Example—2

Individual in 75% Tax Bracket

Distribution				
GM @ $35X1.38	= $ 48.30			
Dividend Tax $48.30X75%	= $ 36.23			
Dividend Tax Adjusted for 4% Dividend Credit	= $ 34.30			
Capital Gains				
du Pont Sold @	$180	$170	$160	$150
Original Purchase Price	60	60	60	60
Capital Gain	$120	$110	$100	$ 90
Capital Gains Tax @ 25%	$ 30	$ 27.50	$ 25	$ 22.50
Per Share Tax Saving from Sale of du Pont	$ 4.30	$ 6.80	$ 9.30	$ 11.80

[fol. 3511] DEFENDANTS' TRIAL EXHIBIT No. DP-35

E. I. du Pont de Nemours & Company

Common Stock

Record of Price Range and Trading Volume (1934 through December 31, 1958)
(New York Stock Exchange)

(Prices adjusted to the nearest ⅛ for 4-for-1 split on June 15, 1949)

	High	Low	Volume Actual	Volume Adjusted
1934	26	20	1,642,150	6,568,600
1935	36⅝	21⅝	930,150	3,720,600
1936	46⅛	33¼	512,100	2,048,400
1937	45	24½	556,400	2,225,600
1938	38⅝	22⅝	826,000	3,304,000
1939	47⅛	31½	561,000	2,244,000
1940	47¼	36⅝	413,600	1,654,400
1941	41⅛	34	338,800	1,355,200
1942	36	25⅝	351,250	1,405,000
1943	39¾	33½	229,700	918,800
1944	40⅝	34¼	223,830	895,320
1945	48⅛	38¾	210,000	840,000
1946	56¾	40¼	246,700	986,800
1947	49¼	43¾	218,100	872,400
1948	47¼	41	297,500	1,190,000
1949	63¾	43⅛	180,700 Old Shares 1,299,500 New Shares	2,022,300
1950	85⅝	60⅛	2,125,600	2,125,600
1951	102½	82	1,204,900	1,204,900
1952	97⅝	79⅝	893,200	893,200
1953	108⅜	91	1,052,000	1,052,000
1954	170	104⅛	956,400	956,400
1955	249¾	157	1,040,000	1,040,000
1956	237	175½	997,800	997,800
1957	206	160¾	816,400	816,400
1958	214	172⅛	816,000	816,000

Source: Bank and Quotation Record.

[fol. 3512] DEFENDANTS' TRIAL EXHIBIT NO. DP-36

Pencilled notation:

Files—3 copies sent to Mr. Frederic Donner on 4/1/55 by RHB]

March 31, 1955

General Motors Corporation

Certain Considerations
Stock Dividend versus Cash Dividend

Composition of stockholders list as of _____ is given below:

Individuals and joint tenants	Names		Shares	
	Number	% of Total	Number	% of Total
1–25 Shs.				
26–50 Shs.				
51–100 Shs.				
Over 100 Shs.				
Institutional Holders Banks, Charitable, Educational, Investment Trusts, etc.				
Nominees				
Brokers				
Total				

I. From the stockholders standpoint there are the following disadvantages to stock dividends:

[fol. 3513] A. In view of large number of small stockholders, we believe the Company has an obligation to pay a reasonable proportion of earnings in cash dividends.

1. The company has paid cash dividends in every year since its organization in 1917 and with one minor exception has paid only cash dividends. This record has undoubtedly influenced smaller investors in purchase of stock.

2. Many shareowners count on cash dividend as a source of income for living expenses.

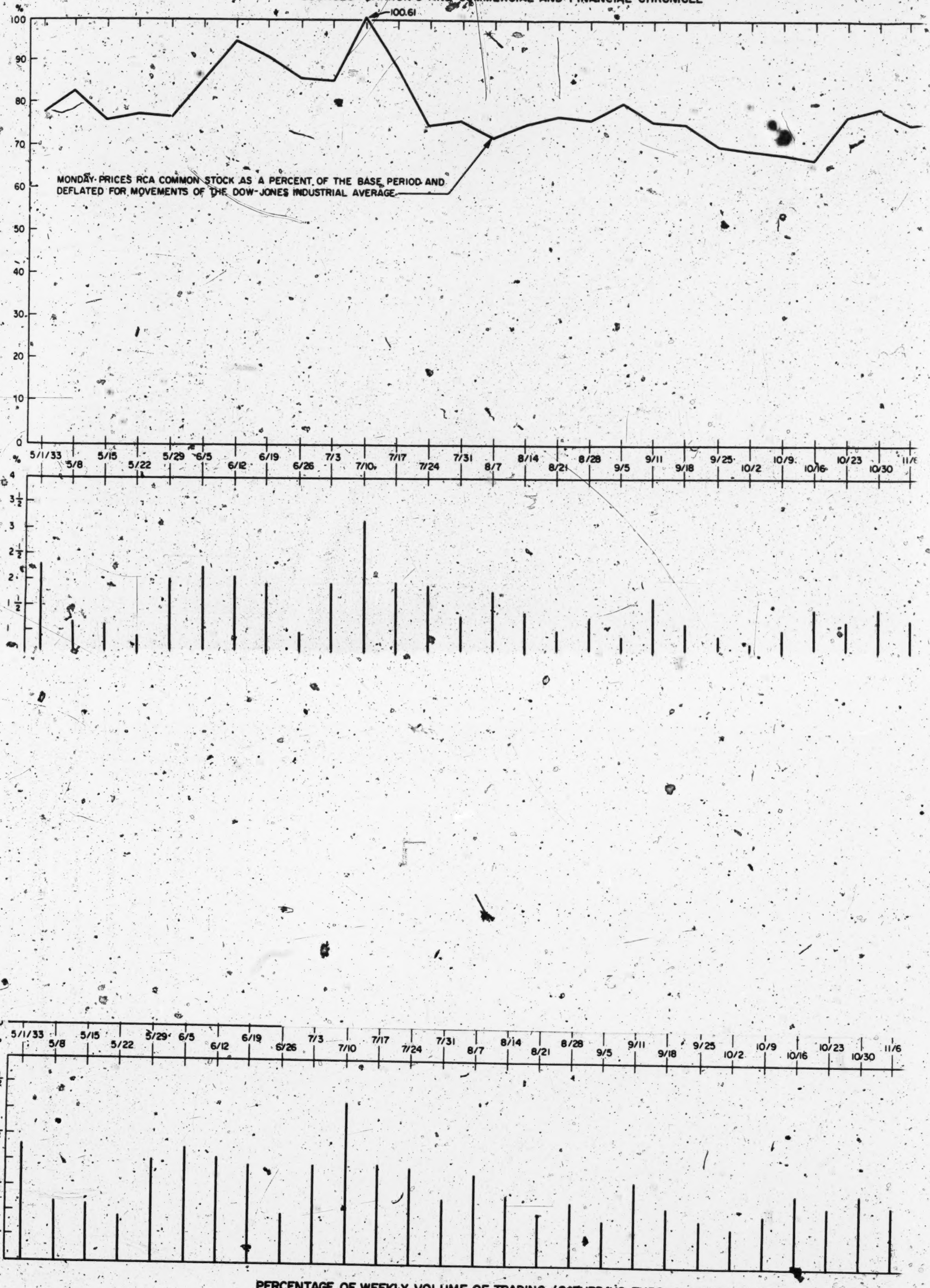
B. We believe that the above arguments are true for charitable and educational institutions and many investments trusts. They are not bothered by tax considerations but want the steady income.

C. Dividends in stock confuse many small stockholders, especially women and are, at best, inconvenient. Definite

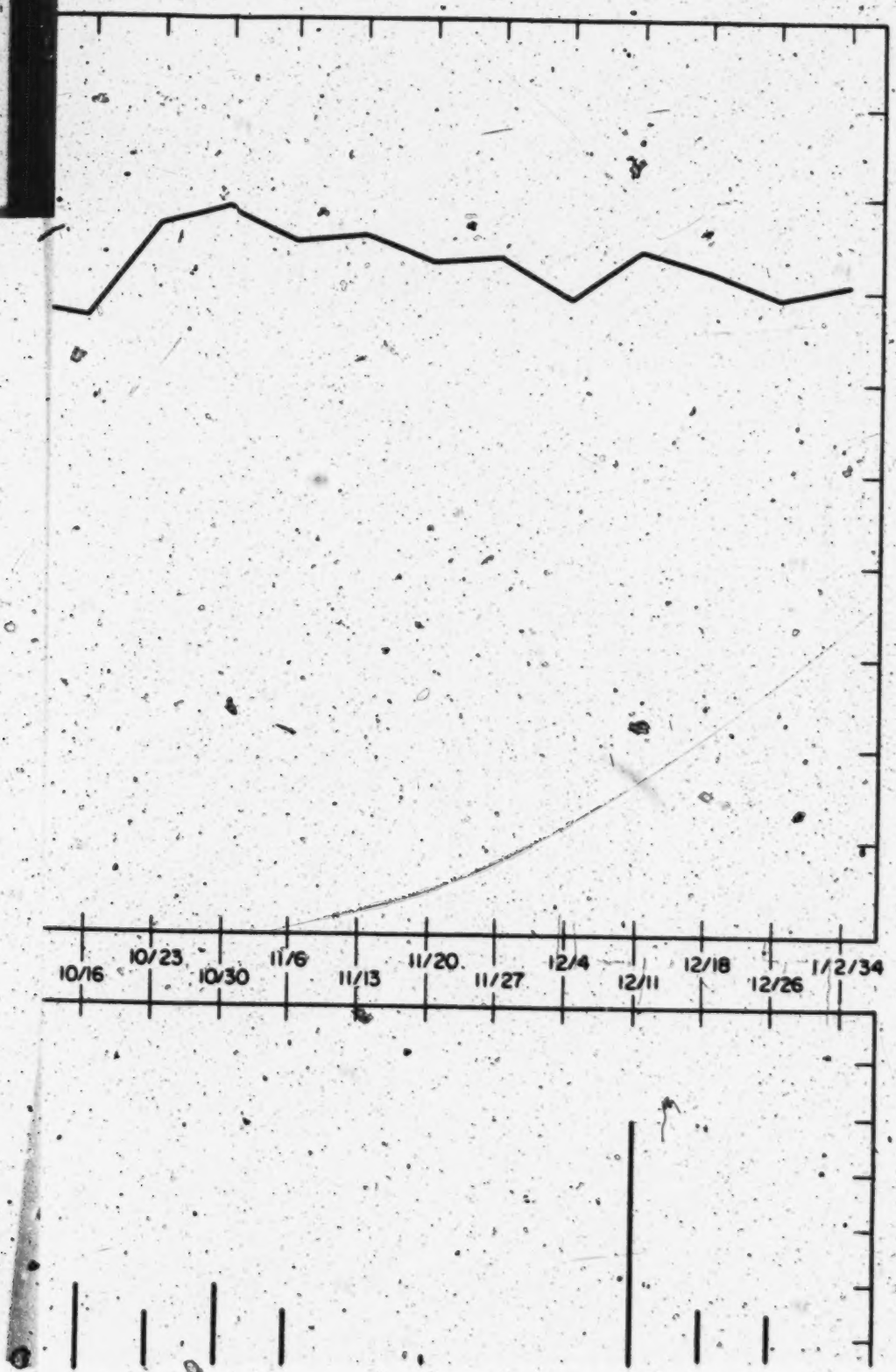
DEFENDANTS' TRIAL EXHIBIT NO. DP-29-A

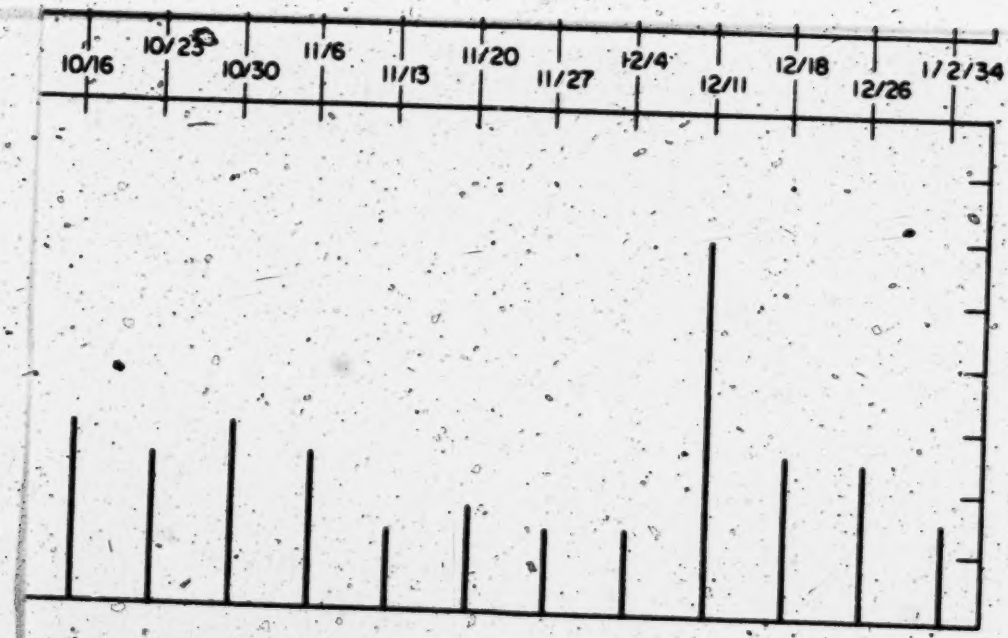
DEFLATED PRICES AND VOLUME OF TRADING RCA STOCK MAY 1, 1933 THROUGH JANUARY 2, 1934

SOURCES: BARRON'S AND COMMERCIAL AND FINANCIAL CHRONICLE



JANUARY 2,1934





RCA TO TOTAL ON NYSE

[fol. 3518] DEFENDANTS' TRIAL EXHIBIT NO. DP-41

Estimated Amount of Distribution to be Treated as a Dividend to Corporate vs. Non-corporate Shareholders of du Pont Assuming the 63 Million GM Shares are Paid Out in a Single Distribution

Line No.		du Pont Shareholders		
		Corporate	Non-Corporate	Total
1.	du Pont shares held	17,619,000*	28,112,528	45,731,528(a)
2.	GM shares distributable @ 1.3776054 GM to one du Pont (63,000,000 divided by 45,731,528)	24,272,030	38,727,970	63,000,000
3.	Distribution value per GM share	$2.0867839(b)	$45.00(c)	
4.	Value of distribution (line 2 times line 3)	$50,650,000	$1,742,759,000	$1,793,409,000
5.	% of distribution deemed to be a dividend (see d below)	61.34%	61.34%	61.34%
6.	Taxable amount of dividend (line 4 times line 5)	$31,000,000	$1,069,000,000	$1,100,000,000
7.	Taxable value per GM share (line 6 divided by line 2)	$1.28	$27.60	

(a) Shares outstanding December 31, 1958.
(b) Tax basis of GM shares to du Pont Co.
(c) Assumed market price of GM share.
(d) Du Pont Company's estimated accumulated earnings and profits (12/31/58) of $1,100,000,000—as a % of—the total value of the distribution of $1,793,409,000 (line 4). This percentage is based on Amicus Dallstream Exhibit #2—letter from Internal Revenue Service dated May 9, 1958, page 10, paragraph 11.

* Source, du Pont Exhibit #24:

du Pont shares beneficially owned by—	
Tax-liable corporations	15,337,000 shs.
Charitable and educational organizations, etc.	2,282,000 shs.
	17,619,000 shs.

Prepared March 1959.

nuisance to small stockholders to buy or sell scrip, adjust cost of stock, handle new certificates, figure capital gain or loss in case of sale, etc.

1. Chief complaints received by companies who have used stock dividend are from small stockholders echoing these sentiments.

D. If stockholders sell stock to realize income, ownership position is decreased.

1. Brokerage costs on odd lot sales of shares are high. For example a 2% stock dividend to the holder or 50 shares and 100 shares would be 1 and 2 shares respectively. Assuming a market price of $100 a share, the cost of sales would be:

	Brokerage	Transfer Tax & Fee	Total Cost	As % of Sale Price
1 Sh.....	$6.00	$ .11	$6.11	6.11%
2 Sh.....	6.00	.14	6.14	3.07%

2. Forced selling of stock dividend by stockholders seeking cash will affect market adversely.

E. Stock dividend complicates administration of trusts where interests of current beneficiary are opposed to those of remaindermen. This is particularly true of older trusts.

[fol. 3514] II. From the Company viewpoint, there are the following disadvantages to stock dividends.

A. Cash dividend is more highly appraised in the market than a stock dividend of equivalent cash value.

B. If stock dividends are paid in lieu of selling stock for new money, Company loses advantages accruing from larger list of stockholders (potential car buyers) and general publicity among investors.

1. As a result of stock offering investors, dealers and investment services have had attention directed to the Company.
2. Unparalleled publicity in financial press.

C. Burden and cost of preparing certificates for payment of stock dividend and also of handling or arranging for handling of scrip would be thrust upon Company for a continuing period.

D. Policy of stock dividends would be interpreted by investors as favoring large holders for tax reasons.

1. The du Pont Company and GM Shares would be faced with problem of selling stock dividend with resultant capital gain or in turn paying dividend in General Motors stock.
2. Certain holders who require cash income may be considered controlling persons and could sell only (a) with registration or (b) as a private sale at a substantial discount below the market and with some limitation on amount.

RHB

[fol. 3519] DEFENDANTS' TRIAL EXHIBIT NO. DP-43

Boston Safe Deposit & Trust Co.

Holdings in trust or executor accounts of common stock of du Pont and General Motors as of November 19, 1958

E. I. du Pont de Nemours and Company:

Nature of Acct.	Under 25 Shs.		25–49 Shs.		50–99 Shs.		100 Shs. and Over	
	Accts.	Shs.	Accts.	Shs.	Accts.	Shs.	Accts.	Shs.
Trust	72	1,210	129	4,758	169	10,680	319	72,228
Executor	—	—	3	130	2	144	1	150
Totals	72	1,210	132	4,888	171	10,824	320	72,378

Total, du Pont: 89,100 shares

General Motors Corporation:

Trust	3	50	21	824	116	8,438	1,054	453,221
Executor	—	—	2	67	4	258	12	4,499
Totals	3	50	23	891	120	8,696	1,066	457,720

Total, General Motors: 467,357 shares

[fol. 3515] DEFENDANTS' TRIAL EXHIBIT No. DP-38

Guaranty Trust Company of New York

Partial List of Corporations Whose Pension, Profit Sharing or Thrift Plan Trusts are Administered by Guaranty Trust Company of New York

ACF Industries, Incorporated	New York, N. Y.
Alco Products, Inc.	New York, N. Y.
American Cyanamid Company	New York, N. Y.
American Radiator & Standard Sanitary Corp.	New York, N. Y.
American Snuff Company	Memphis, Tennessee
The Anaconda Company	New York, N. Y.
Anderson, Clayton & Co.	Houston, Texas
Armco Steel Corporation	Middletown, Ohio
Armstrong Cork Company	Lancaster, Pa.
Atchison, Topeka & Santa Fe Railway Co.	Chicago, Illinois
The Berwind-White Coal Mining Company	New York, N. Y.
Brown & Williamson Tobacco Corporation	Louisville, Kentucky
Canada Dry Corporation	New York, N. Y.
The Carpenter Steel Company	Reading, Pennsylvania
Champion Spark Plug Company	Toledo, Ohio
The Coca-Cola Company	Atlanta, Georgia
Columbia Broadcasting System, Inc.	New York, N. Y.
Combustion Engineering, Inc.	New York, N. Y.
The Conde Nast Publications, Inc.	Greenwich, Conn.
Continental Baking Company	New York, N. Y.
Diamond Chain Company, Inc.	Indianapolis, Indiana
The Dow Chemical Company	Midland, Michigan
Duke Power Company	Charlotte, North Carolina
Dun & Bradstreet, Inc.	New York, N. Y.
Endicott Johnson Corporation	Endicott, New York
Federal Glass Co.	Columbus, Ohio
Florida Power Corp.	St. Petersburg, Florida
Florida Power & Light Company	Miami, Florida
General Motors Corporation	Detroit, Michigan
W. T. Grant Company	New York, N. Y.
Hawaiian Pineapple Company, Limited	Honolulu, Hawaii
Hiram Walker & Sons, Inc.	Detroit, Michigan
Jantzen, Inc.	Portland, Oregon
Kansas Gas & Electric Co.	Wichita, Kansas
M. Lowenstein & Sons, Inc.	New York, N. Y.
McKesson & Robbins, Incorporated	New York, N. Y.
The May Department Stores Company	St Louis, Missouri
The Montana Power Company	Butte, Montana
J. J. Newberry Co.	New York, N. Y.
Olin Mathieson Chemical Corp.	East Alton, Illinois
Pacific Power & Light Company	Portland, Oregon
Pan American World Airways, Inc. (Pilots Plan)	New York, N. Y.
Penick & Ford Ltd., Incorporated	New York, N. Y.
Perfect Circle Co.	Hagerstown, Indiana
Plymouth Oil Company	Pittsburgh, Pa.
Royal McBee Corporation	New York, N. Y.
Scott Paper Company	Chester, Pa.
Southern Colorado Power Company	Pueblo, Colorado
Sunray Midcontinent Oil Company	Tulsa, Oklahoma
Sylvania Electric Products, Inc.	Salem, Massachusetts
Texas Gulf Producing Co.	Houston, Texas
Vanadium Corporation of America	New York, N. Y.
The Washington Water Power Company	Spokane, Washington
Wilson & Co., Inc.	Chicago, Illinois
York Corporation Division of Borg-Warner Corp.	York, Pa.

(Here follows 1 Photolithograph, side folio 3516)

[fol. 3520] DEFENDANTS' TRIAL EXHIBIT No. DP-44

Boston Safe Deposit & Trust Co.

Action taken in 80 trust accounts in connection with 1935 du Pont dividend of General Motors Common Stock

Fifty-seven trusts each holding less than 55 shares of du Pont:

Scrip sold	51
Scrip distributed to beneficiaries	6

Twenty-three trusts each holding 55 or more shares of du Pont:

Shares sold	21 (from 13 trusts)
Shares distributed to beneficiaries	14 (from 8 trusts)
Shares added to principal	3 (in 2 trusts)

[fol. 3521] DEFENDANTS' TRIAL EXHIBIT NO. DP-45

Transactions in du Pont (E. I.) de Nemours Common Stock
By Massachusetts Investors Trust
1955-1958

Date of Vote	Date of Transaction	Number of Brokers	Volume	Price Range
SELL 5,000				
11/23/55	11/23/55	(1)	300	230
	11/25/55	(1)	200	228¼
	11/28/55	(1)	500	228½-229
	11/29/55	(1)	600	225 -226¼
	11/30/55	(1)	800	225¼-227½
	12/ 1/55	(1)	200	228
	12/ 2/55	(2)	900	224¼-225
	12/ 5/55	(2)	900	227 -229
	12/ 6/55	(1)	300	230 -230½
	12/ 7/55	(1)	300	228 -228½
SELL 5,000				
9/14/56	9/17/56	(2)	1,500	202 -203½
	9/18/56	(2)	700	200¼-202
	9/19/56	(2)	1,100	200 -200½
	9/20/56	(1)	700	199¾-200
	9/21/56	(2)	1,000	200
BUY 2,000				
1/ 4/57	1/ 4/57	Through Syndicate Brokers (6)	2,000	190½ Net
BUY 8,000				
2/ 5/57	2/ 5/57	(1)	600	183¼-183½
	2/ 6/57	(2)	1,400	182 -183
	2/ 7/57	(2)	1,300	184
	2/ 8/57	(2)	2,100	183 -184
	2/11/57	(1)	1,500	180½-182½
	2/12/57	(2)	1,100	180¼-180½
BUY 2,000				
2/19/57	2/19/57	(1)	500	181½-181⅝
	2/20/57	(1)	1,000	180¾-181
	2/21/57	(1)	200	179
	2/25/57	(1)	300	179

ASSUMED DISTRIBUTION OF GM SHARES IN LIEU OF PART OR ALL OF ASSUMED TOTAL DU PONT COMMON DIVIDENDS OF $6.00 PER SHARE PER YEAR

(SEE ADDITIONAL BASIC ASSUMPTIONS AND NOTE IN BLOCK AT RIGHT)

PART I

Column Number →	1.	2.	3.	4.
Line	Total Cash Accumulation During Distribution	Percent And Amount Of $6.00 Dividend Paid In GM Shares		
		30% ($1.80)	50% ($3.00)	100% ($6.00)
A. Annual Cash Accumulation (Market Value of GM Shares Distributed)		$ 82M	$137M	$274M
B. GM Market Price at $45	$2 835M			
1. Years Required to Distribute 63M GM Shares		34.4 yrs.	20.6 yrs.	10.3 yrs.
2. Number of GM Shares Distributed In Each Year		1.8M shs.	3.0M shs.	6.0M shs.
C. GM Market Price at $40	$2 520M			
1. Years Required to Distribute 63M GM Shares		30.6 yrs.	18.4 yrs.	9.2 yrs.
2. Number of GM Shares Distributed In Each Year		2.1M shs.	3.4M shs.	6.8M shs.
D. GM Market Price at $35	$2 205M			
1. Years Required to Distribute 63M GM Shares		26.8 yrs.	16.0 yrs.	8.0 yrs.
2. Number of GM Shares Distributed In Each Year		2.4M shs.	3.9M shs.	7.8M shs.

PART II

Column Number →	1.	2.	3.	4.
Line	Total Cash Accumulation During Distribution	Assuming Distribution Of 63M GM Shares Over Periods Of		
		10 Years	15 Years	20 Years
A. Number of GM Shares Distributed Each Year		6.3M shs.	4.2M shs.	3.2M shs.
B. GM Market Price at $45	$2 835M			
Annual Cash Accumulation (Market Value of GM Shares Distributed)				
1. Amount		$283M	$189M	$142M
2. Amount Per Du Pont Share		$6.20	$4.13	$3.10
3. Amount as % of Du Pont Common Dividend		104%	69%	52%
C. GM Market Price at $40	$2 520M			

1. Total du remain tion c
2. In Part divide throug GM sha
3. The redu coinci shares retain
4. GM marke years levels
5. The 45,7 standi outsta distri

Note: Of th tri tri Del and you

PART II

Line	Total Cash Accumulation During Distribution	Assuming Distribution Of 63M GM Shares Over Periods Of 10 Years	15 Years	20 Years
	Column Number → 1.	2.	3.	4.
A. Number of GM Shares Distributed Each Year		6.3M shs.	4.2M shs.	3.2M shs.
B. GM Market Price at $45	$2 835M			
Annual Cash Accumulation (Market Value of GM Shares Distributed)				
1. Amount		$283M	$189M	$142M
2. Amount Per Du Pont Share		$6.20	$4.13	$3.10
3. Amount as % of Du Pont Common Dividend		104%	69%	52%
C. GM Market Price at $40	$2 520M			
Annual Cash Accumulation (Market Value of GM Shares Distributed)				
1. Amount		$252M	$168M	$126M
2. Amount Per Du Pont Share		$5.52	$3.67	$2.76
3. Amount as % of Du Pont Common Dividend		92%	61%	46%
D. GM Market Price at $35	$2 205M			
Annual Cash Accumulation (Market Value of GM Shares Distributed)				
1. Amount		$220M	$147M	$110M
2. Amount Per Du Pont Share		$4.82	$3.21	$2.41
3. Amount as % of Du Pont Common Dividend		80%	54%	40%

BASIC ASSUMPTIONS AND NOTE

1. Total du Pont Common dividend each year will remain, throughout the years of distribution of GM shares, at $6.00 per share.

2. In Part I - Percent of total du Pont Common dividend paid in GM shares will remain, throughout the years of distribution of GM shares, at levels stated.

3. The reduction in net dividends from GM shares, coincident with the distribution of the shares, will be offset by earnings on cash retained.

4. GM market prices will remain, throughout the years of distribution of GM shares, at levels stated.

5. The 45,731,528 du Pont Common shares outstanding December 31, 1958 will remain outstanding throughout the years of distribution of GM shares.

Note: Of the 63,000,000 GM shares to be distributed, about 30.4% would be distributed to Christiana Securities Company, Delaware Realty and Investment Corporation, and the "stockholders of Delaware", and would have to be sold by a trustee.

[fol. 3522]

TRANSACTIONS IN GENERAL MOTORS COMMON STOCK

BY MASSACHUSETTS INVESTORS TRUST

1955-1958

Date of Vote	Date of Transaction	Number of Brokers	Volume	Price Range
SUBSCRIBE 11,750				
2/8/55	3/1/55	Through Bank	11,750	75
BUY 3,250				
2/8/55	2/10/55	Through Syndicate Brokers (20)	3,250	97 3/4 Net
BUY 10,000				
2/15/55	2/15/55	(6)	7,000	95 3/8-94 1/4 Net
	2/16/55	(1)	1,500	94 3/4 Net
	2/17/55	(1)	1,500	93 7/8-93 5/8 Net
BUY 10,000				
3/31/55	4/1/55	(4)	5,000	93 3/8-95 1/8
	4/4/55	(3)	3,500	95 5/8-94 1/8
	4/5/55	(1)	500	94 3/8-95
	4/6/55	(1)	1,000	95 1/4-95 3/4
BUY 5,000				
6/21/55	6/21/55	(3)	3,400	107 7/8-104 7/8
	6/22/55	(2)	1,600	109 - 107 1/2
SELL 15,000				
11/23/55	11/23/55	(3)	6,000	50 - 50 3/8
	11/25/55	(2)	1,900	49 7/8 - 50
	11/28/55	(3)	4,100	49 - 49 1/4
	11/29/55	(2)	2,000	48 1/2-48 5/8
	11/30/55	(1)	500	48 3/4
	12/1/55	(1)	500	48 1/8-48 5/8
BUY 15,000				
4/24/56	4/30/56	Selling Group Secondary	15,000	43 3/4 Net
SELL 15,000				
12/11/56	12/11/56	(2)	3,000	45 1/2-45 5/8
	12/12/56	(1)	2,000	44 3/8-44 1/2
	12/13/56	(2)	3,000	44 5/8-45
	12/14/56	(3)	2,300	44 7/8-45
	12/17/56	(1)	1,700	44 7/8-45 1/8
	12/18/56	(1)	1,000	44 3/4
	12/19/56	(2)	2,000	43 7/8-44 1/4

DEFENDANTS' TRIAL EXHIBIT NO. DP-46

[fol. 3523]

DEFENDANTS' TRIAL EXHIBIT NO. DP-47

Relative Market Action - Aluminum Stocks — Monthly, 1950-59

Individual Stocks in Relation to Aluminum Stocks Composite

(Logarithmic Scale)

10

+300%

+200%

+150%

+100%

+50%

0

-25%

REYNOLDS METALS

KAISER ALUMINUM

ALUMINUM STOCKS COMPOSITE

ALCOA

Northern District of Illinois, Eastern Division (A Suit, I
in the Dist... District of the United States; BEFORE
No.
Mary ... Ryan - Official Court Reporter

KE SEMI-LOGARITHMIC 358-SEL
KEUFFEL & ESSER CO.
1 CYCLE X 100 DIVISIONS

STOCK PRICES are closing prices o
New York Stock Exchange on the Fr
nearest the end of each month. Pr
are adjusted for stock splits and
dividends.

The COMPOSITE INDEX of aluminum s
is weighted to reflect the dollar
of the shares outstanding for eac
pany obtained by multiplying such
shares by the market price per sh
The index consists of the four alu
stocks after March 1954 and does
include Kaiser Aluminum before th

SOURCE OF DATA: The Wall Street

[fol. 3517] DEFENDANTS' TRIAL EXHIBIT No. DP-40

Certain Financial Data for Years 1946 Through 1958 Regarding du Pont Company

(millions of dollars)

(1)	(2)	(3)	(4)	(5)	(6)
	Funds Available From:				
Year	Depreciation Accruals	Retained Earnings	Proceeds From Sale of Bonus Stock	Total Columns 2, 3, 4	Construction Expenditures
1946	$ 26.8	$ 27.2	—	$ 54.0	$ 92.3
1947	33.9	20.9	—	54.8	115.6
1948	61.9	37.6	$ 6.4	105.9	116.7
1949	72.5	50.3	9.3	132.1	85.6
1950	77.5	55.7	11.9	145.1	113.6
1951	83.9	49.4	11.8	145.1	135.5
1952	95.3	52.3	10.8	158.4	126.3
1953	110.8	51.9	14.5	177.2	135.1
1954	112.8	83.5	15.6	211.9	119.8
1955	118.5	102.9	—	221.4	118.7
1956	115.2	77.5	—	192.7	156.7
1957	122.0	90.3	—	212.3	220.3
1958	130.8	57.0	22.9	210.7	231.3
					$1767.5
12/31/45 through 12/31/58	Net increase in working capital excluding cash and marketable securities				232.3
Totals—Yrs. 1946–1958, Incl.	$1161.9	$756.5	$103.2	$2021.6	$1999.8

Source: Du Pont Company's Annual Reports to Stockholders.
Prepared March 1959

Monthly, 1950-59

30525

posite

TALS

STOCK PRICES are closing prices on the New York Stock Exchange on the Friday nearest the end of each month. Prices are adjusted for stock splits and stock dividends.

The COMPOSITE INDEX of aluminum stocks is weighted to reflect the dollar value of the shares outstanding for each company obtained by multiplying such shares by the market price per share. The index consists of the four aluminum stocks after March 1954 and does not include Kaiser Aluminum before that time.

SOURCE OF DATA: The Wall Street Journal

INDEX

ALUMINUM STOCKS COMPOSITE

[fol: 3524] DEFENDANTS' TRIAL EXHIBIT No. DP-48

U. S. vs. du Pont, GM, et al.

E. I. du Pont de Nemours & Company

Investment in General Motors Corporation Common Stock
June 30, 1958

Lot Identification	Shares	Certificate Number	Cost for Tax Purposes Per Share	Cost for Tax Purposes Total
A	10,787,510	WJ-169		
	21,575,020	Y-1586		
	32,362,530		$ .8788704	$ 28,442,662.91
B	8,374,990	WJ-169		
	16,749,980	Y-1586		
	25,124,970		.8751412	21,987,896.89
C	45,658	WJ-157		
	91,316	Y-1573		
	136974		1.1210438	153,553.85
D	525,000	WJ-170		
	1,050,000	Y-1587		
	1,575,000		1.8439287	2,904,187.69
E	13,168	WJ-157		
	26,336	Y-1573		
	39,504		1.3126471	51,854.81
F	1,074	WJ-157		
	2,148	Y-1573		
	3,222		1.1573991	3,729.14
G	13,508	WJ-157		
	27,016	Y-1573		
	40,524		2.9990549	121,533.70
H	15,398	WJ-157		
	30,796	Y-1573		
	46,194		2.9990685	138,538.97
I	4,154	WJ-157		
	8,308	Y-1573		
	12,462		2.9998877	37,384.60
J	181,980	WJ-168		
	363,960	Y-1585		
	545,940		2.7728449	1,513,806.92
K	35,658	WJ-158		
	71,316	Y-1574		
	106,974		3.9549440	423,076.18

Defendants' Trial Exhibit No. DP-48—Continued

Lot Identification	Shares	Certificate Number	Cost for Tax Purposes Per Share	Cost for Tax Purposes Total
L	2	WG-8576		
	4	L-246869		
	6		9.2900000	55.74
[fol. 3525]				
M	1,800	WJ-159 to 167 incl.		
	100	WH-10287		
	200	Y-1575		
	3,600	Y-1576 to 1584 incl.		
	5,700		$ 9.3084281	$ 53,058.04
N-A	539,381	WJ-3185		
	1,078,762	Y-1588		
	1,618,143		25.2002524	40,777,612.08
N-B	418,749	WJ-3185		
	837,498	Y-1588		
	1,256,247		25.1993978	31,656,667.93
N-C	2,282	WJ-3185		
	4,564	Y-1588		
	6,846		25.2554265	172,898.65
N-D	26,250	WJ-3185		
	52,500	Y-1588		
	78,750		25.4201325	2,001,835.44
N-E	658	WJ-3185		
	1,316	Y-1588		
	1,974		25.2990831	49,940.39
N-F	53	WJ-3185		
	106	Y-1588		
	159		25.2637107	4,016.93
N-G	675	WJ-3185		
	1,350	Y-1588		
	2,025		25.6833235	52,008.73
N-H	769	WJ-3185		
	1,538	Y-1588		
	2,307		25.6833290	59,251.44
N-I	207	WJ-3185		
	414	Y-1588		
	621		25.6835104	15,949.46

DEFENDANTS' TRIAL EXHIBIT No. DP-48—Continued

Lot Identification	Shares	Certificate Number	Cost for Tax Purposes Per Share	Total
N-J	9,099	WJ-3185		
	18,198	Y-1588		
	27,297		25.6317830	699,670.78
N-K	1,782	WJ-3185		
	3,564	Y-1588		
	5,346		25.9011204	138,467.39
[fol. 3526]				
N-M	95	WJ-3185		
	190	Y-1588		
	285		$27.1208772	$ 7,729.45
Total	63,000,000		$ 2.0867839	$131,467,388.11

Note: This investment was shown in the December 31, 1957 published balance sheet (latest balance sheet certified) at a carrying value of $15.35 per share, or $967,050,000.

It was shown in the June 30, 1958 published balance sheet (latest balance sheet not certified) at a carrying value of $16.40 per share, or $1,033,200,000.

Treasurer's Department, July 1958.

[fol. 3527] DEFENDANTS' TRIAL EXHIBIT NO. DP-49

E. I. Du Pont De Nemours & Company Capitalization
December 31, 1958

	December 31, 1958
Preferred Stock, without par value—cumulative.	
Authorized—4,000,000 shares	
Issued and outstanding:	
$4.50 Series—1,688,850 shares (stated at $100)	$ 168,885,000
$3.50 Series— 700,000 shares (stated at $100)	70,000,000
Total preferred	238,885,000
Common Stock, $5 par value	
Authorized—60,000,000 shares	
Issued and outstanding—45,731,528 shares	228,657,640
Earned Surplus	1,001,361,562
Paid-in Surplus	114,752,380
Surplus Arising from Revaluation of Security Investments*	904,942,355
Total Capitalization	$2,488,598,937

* Addition to surplus resulting from revaluation prior to 1928 of company's investment now represented by shares of Du Pont of Canada Limited $ 4,364,113

Investment in General Motors Corporation common stock, in accordance with a practice followed since 1925, has been revalued annually to an amount which closely corresponds to the equity indicated by the consolidated balance sheet of General Motors Corporation at December 31 of the preceding year. The net additions to surplus as a result of all such revaluations are 900,578,242

$ 904,942,355

Prepared by Treasurer's Department February, 1959

[fol. 3528] DEFENDANTS' TRIAL EXHIBIT NO. DP-50

Classification of Du Pont Stockholders by Type of Investor of Record
December 31, 1958 Common Stock

Type of Holder	No. of Stockholders	Number of Shares*	% of Total
Individual			
1- 100	157,085	3,883,243	8.5
101- 200	9,872	1,581,408	3.4
201- 500	6,082	2,052,170	4.5
501-1,000	1,708	1,251,976	2.7
Over -1,000	1,228	4,561,228	10.0
Total Individuals	175,975	13,330,025	29.1%
Estates	691	116,445	0.3
Trusts	11,953	5,528,844	12.1
Banks & Nominees	1,215	10,437,643	22.8
Insurance Companies	328	494,963	1.1
Charitable Organizations	1,325	221,671	.5
Educational Organizations	574	231,285	.5
Fraternal Organizations	147	11,365	—
Brokers	293	899,327	2.0
Other Corporations & Organizations	1,838	1,001,763	2.2
Christiana Securities	1	12,199,200	26.7
Delaware Realty	1	1,217,920	2.6
Treasury Stock	1	335	—
Trustee of Thrift Fund	1	40,617	0.1
Grand Total	194,343	45,731,403	100.0%

*This column excludes 125 shares represented by outstanding fractional interests.

Prepared from Company Records by Secretary's Department Stockholders' Relations Division January 1959.

[fol. 3529] DEFENDANTS' TRIAL EXHIBIT NO. DP-51

GM Shares Allocable to Various du Pont Stockholders under
Government Proposal

	du Pont Common Shares Owned	Allocable GM Shares*
Christiana	12,199,200	16,805,684
Delaware	1,217,920	1,677,813
Stockholders of Delaware	472,645**	651,118
All other Stockholders	31,841,673	43,865,385
Total	45,731,528***	63,000,000

* As of December 31, 1958, each share of du Pont had a pro rata interest in 1.3776054 shares of General Motors.

** The figure for du Pont stock held by stockholders of Delaware is the result of a survey conducted by Delaware around June 31, 1958.

*** Shares outstanding December 31, 1958.

Prepared form du Pont Company Records by Treasurer's Department January, 1959.

[fol. 3530] DEFENDANTS' TRIAL EXHIBIT No. DP-52

Volume of Trading in Five Most Actively Traded Stocks of the Stocks for Which Turnover Ratios Are Shown in Government Exhibits 449 to 453*

Stocks	Shares Traded
1953	
American Tel. & Tel. Co.	3,636,258
United States Steel Co.	3,059,701
General Motors Corp.	2,966,367
Chrysler Corp.	2,187,215
Standard Oil Co. of N.J.	1,975,587
1954	
General Electric Co.	6,783,541
United States Steel Co.	6,526,903
Chrysler Corp.	5,347,092
General Motors Corp.	3,972,377
Socony Mobil Oil Co.	3,724,280
1955	
General Motors Corp.	8,338,000**
United States Steel Co.	7,804,832
Chrysler Corp.	5,974,005
General Electric Co.	5,037,509
Republic Steel Corp.	4,188,781
1956	
General Motors Corp.	9,715,983
Standard Oil Co. of N.J.	8,681,903
United States Steel Co.	7,108,342
Westinghouse Electric Corp.	4,992,470
American Tel. & Tel. Co.	4,512,549
1957	
Bethlehem Steel Corp.	10,296,069
General Motors Corp.	8,978,860
Standard Oil Co. of N.J.	6,780,365
United States Steel Co.	5,510,156
Chrysler Corp.	5,403,810

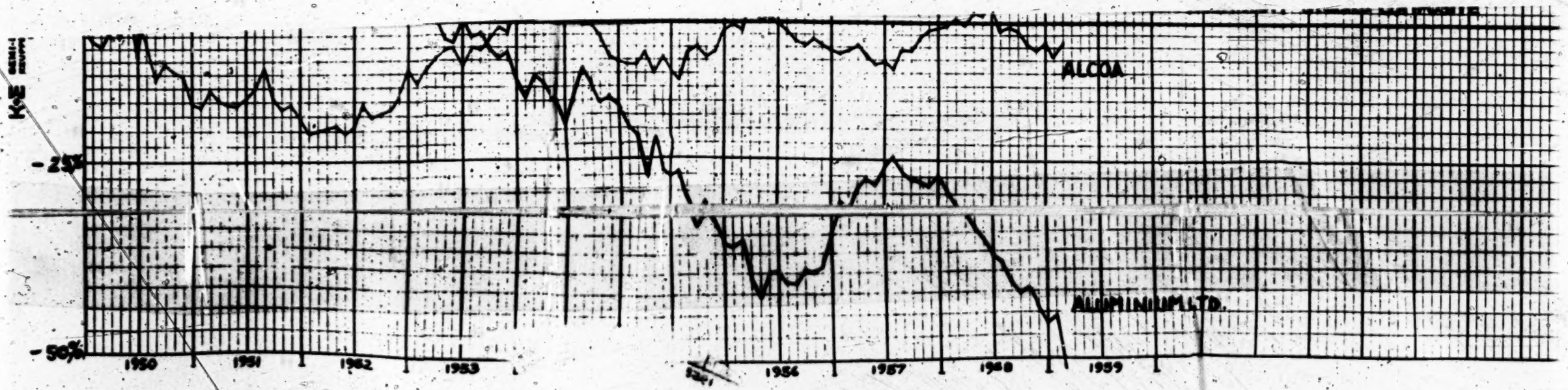
* Volume of trading, except for General Motors Corp. in 1955**, is the sum of the trading on the New York Stock Exchange and on seven regional securities exchanges, as reported in the Government Exhibits 455–468. Shares traded are actual shares, *i.e.*, not adjusted for stock splits.

** Volume of trading for General Motors Corp. in 1955 as shown above was obtained from "Bank and Quotation Record" (Wm. B. Dana, Publisher). The reported volume in Government Exhibit 460 was adjusted for stock split effective September 30, 1955.

(Here follow 3 Photolithographs, side folios 3531, 3532, 3533)

BUY 15,000				
4/24/56	4/30/56	Selling Group Secondary	15,000	43 3/4 Net
SELL 15,000				
12/11/56	12/11/56	(2)	3,000	45 1/2-45 5/8
	12/12/56	(1)	2,000	44 3/8-44 1/2
	12/13/56	(2)	3,000	44 5/8-45
	12/14/56	(3)	2,300	44 7/8-45
	12/17/56	(1)	1,700	44 7/8-45 1/8
	12/18/56	(1)	1,000	44 3/4
	12/19/56	(2)	2,000	43 7/8-44 1/4
SELL 50,000				
1/4/57	1/4/57	(1)	10,000	43 - 43 1/8
	1/7/57	(5)	18,300	42 - 43
	1/8/57	(4)	12,700	42 - 42 3/8
	1/9/57	(4)	9,000	42 1/4-42 5/8
SELL 15,000				
2/15/57	2/15/57	(1)	5,000	40 - 40 1/8
	2/18/57	(1)	2,000	39 7/8
	2/19/57	(2)	6,000	39 7/8
	2/20/57	(1)	2,000	39 7/8
SELL 50,000				
2/19/57	2/20/57	(2)	3,100	39 7/8
	2/25/57	(6)	42,100	38 1/2-39 1/4
	2/26/57	(3)	4,300	38 5/8-39
	2/27/57	(1)	500	39 1/4
SELL 20,000				
10/3/57	10/4/57	(2)	10,000	40 1/8-40 1/4
	10/7/57	(3)	4,400	40-40 1/8
	10/8/57	(1)	1,600	40
	10/9/57	(2)	2,500	40
	10/10/57	(1)	1,500	39 1/2-39 5/8
BUY 25,000				
9/19/58	9/19/58	(1)	15,000	46
	9/22/58	(1)	10,000	46 1/4

EXHIBIT No. DP-46


ALCOA
ALUMINIUM LTD.
-25%
-50%
1950
1951
1952
1953
1954
1957
1958
1959

E. I. du Pont de Nemours & Company

DISTRIBUTION OF COMMON STOCKHOLDERS BY STATES
AND
CURRENT INDIVIDUAL INCOME TAX RATES APPLICABLE
TO DIVIDEND INCOME IN EACH STATE

State	Common Stock - December 31, 1958				Current State Income Tax Law		
	Stockholders	% of Total(1)	Shares	% of Total(1)	Range of Tax Rates	Maximum Rate Applies to Taxable Income Over	Allows Federal Income Taxes as Deduction
Alabama	693	.4	42 448	.1	1 1/2% - 5%	$ 5 000	Yes
Alaska	13	-	448	-	14%(2)	-	No
Arizona	438	.2	77 676	.2	1% - 4 1/2%	7 000	Yes
Arkansas	156	.1	13 001	-	1% - 5%	25 000	No
California	10 708	5.5	1 147 860	2.5	1% - 6%	25 000	No
Colorado	1 193	.6	94 105	.2	1% - 12%	11 000	Yes
Connecticut	7 532	3.9	1 040 783	2.3	-	-	-
Delaware	15 922	8.2	20 484 141	44.8	1 1/2% - 8%	8 000	Yes(3)
District of Columbia	1 873	1.0	257 928	.6	2 1/2% - 5%	25 000	No
Florida	3 670	1.9	1 386 412	3.0	-	-	-
Georgia	2 443	1.3	135 266	.3	1% - 6%	10 000	No
Idaho	116	.1	6 655	-	2% - 8.8%	5 000	Yes
Illinois	7 238	3.7	977 159	2.1	-	-	-
Indiana	2 284	1.2	124 587	.3	1 1/2%	-	No
Iowa	1 470	.7	55 864	.1	3/4% - 3 3/4%	4 000	Yes
Kansas	601	.3	38 765	.1	1 1/2% - 5 1/2%	7 000	Yes
Kentucky	2 711	1.4	241 001	.5	2.2% - 7.8%	8 000	Yes
Louisiana	769	.4	53 858	.1	2% - 6%	50 000	Yes
Maine	1 512	.8	109 342	.3	-	-	-
Maryland	4 248	2.2	438 282	1.0	3% - 5%	500	No
Massachusetts	12 672	6.5	2 138 848	4.7	7.38%	-	No
Michigan	3 297	1.7	362 623	.8	-	-	-
Minnesota	1 315	.7	179 303	.4	1.1% - 11%	20 000	Yes
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2% - 6%	25 000	No

State	Common Stock - December 31, 1958				Current State Income Tax Law		
	Stockholders	% of Total(1)	Shares	% of Total(1)	Range of Tax Rates	Maximum Rate Applies to Taxable Income Over	Allows Federal Income Taxes as Deduction
Nebraska	253	.1	14 384	-	-	$ -	-
Nevada	109	-	14 700	-	-	-	-
New Hampshire	1 103	.6	73 648	.2	4 1/4%	-	No
New Jersey	16 135	8.3	1 064 523	2.3	-	-	-
New Mexico	223	.1	13 890	-	1% - 4%	100 000	Yes
New York	30 150	15.5	7 930 890	17.4	2% - 7%	9 000	No
North Carolina	2 526	1.3	185 720	.4	3% - 7%	10 000	No
North Dakota	66	-	3 332	-	1% - 11%	15 000	Yes
Ohio	7 429	3.8	1 148 615	2.5	-	-	-
Oklahoma	571	.3	47 524	.1	1% - 6%	7 500	Yes
Oregon	653	.3	60 497	.1	3% - 9 1/2%	8 000	Yes
Pennsylvania	17 368	8.9	3 293 932	7.2	-	-	-
Rhode Island	1 860	1.0	185 877	.4	-	-	-
South Carolina	4 867	2.5	94 540	.2	2% - 5%	6 000	Yes(5)
South Dakota	111	.1	4 235	-	-	-	-
Tennessee	3 663	1.9	138 511	.3	6%	-	No
Texas	3 433	1.8	251 235	.6	-	-	-
Utah	297	.1	20 343	.1	1% - 5%	4 000	Yes
Vermont	742	.4	44 099	.1	2% - 7 1/2%	5 000	No
Virginia	7 391	3.8	373 295	.8	2% - 5%	5 000	No
Washington	1 290	.7	130 564	.3	-	-	-

[fol. 3533]

State	Common Stock - December 31, 1958 Stockholders	% of Total(1)	Shares	% of Total(1)	Current State Income Tax Law Range of Tax Rates	Maximum Rate Applies To Taxable Income Over	Allows Federal Income Taxes as Deduction
West Virginia	3 719	1.9	153 107	.3	-	$ -	-
Wisconsin	2 002	1.0	153 433	.3	1.2% - 10.2%	14 000	Yes(6)
Wyoming	136	.1	7 768	-	-	-	-
Total U. S. A.	192 876	99.2	45 304 466	99.1			
Total Foreign	1 467	.8	426 937	.9			
Grand Total	194 343	100.0	45 731 403	100.0			

(1) Dash (-) indicates less than 1/10 of 1% of total.

(2) Tax rate applies to applicable income tax payable under Federal income tax law.

(3) Deduction of Federal income taxes limited to $300. for each taxpayer.

(4) Tax credit allowed on various brackets of income ranging from $5 - $135.

(5) Deduction of Federal income taxes limited to $500 for each taxpayer.

(6) Deduction of Federal income taxes limited to 3% of taxable income.

See Lower Foreign Car Sales

Mr. Ford reiterated the company's intention of bringing out a small car during the 1960 model year "barring changes in the market or other circumstances." He added that he assumed such a move by Ford, and perhaps by General Motors Corp. and Chrysler Corp., "would put a considerable dent into the imports of foreign cars."

He declined to comment on whether the cost of introducing a small car would affect 1959 profits.

Mr. Yntema said that in January sales of the Ford car were 23% of the automotive market, an increase of one percentag point over the like month last year. Edsel sales were 0.9% of the market in January, and Lincoln sales 0.6%. Mercury sales were 2.6%, the lowest market penetration since World War II by that car, he said.

(Here follows 1 Photolithograph, side folio 3544)

[fol. 3534] DEFENDANTS' TRIAL EXHIBIT NO. DP-59

Wall St. Journal
3-12-59

Ford to Make Small Car in '60 Model Year; Is First of "Big 3" to State Plans Publicly

By a Wall Street Journal Staff Reporter

Dearborn, Mich.—An economy car will be introduced by Ford Motor Co. in the 1960 model year, "barring changes in the market or other circumstances," Henry Ford II, president, and Ernest R. Breech, chairman, announced in the annual report to shareholders.

Ford thus became the first of the three major auto producers to state publicly that it plans to go into competition with the smaller cars being produced by American Motors Corp., Studebaker-Packard Corp. and foreign auto companies.

General Motors Corp. and Chrysler Corp. have not yet stated their plans but the Ford announcement would seem to eliminate any remaining doubt that they too, will enter the field.

Chrysler Defers Decision

L. L. Colbert, president of Chrysler, said in New York Tuesday that his firm will not make a definite decision on building a small car until "late summer." He added, however, that prototypes already are running on Chrysler test tracks and the company is prepared to have such a car on the market by January 1 of next year.

General Motors Corp., expected by many to be the first to enter the economy market, has been similarly evasive. Its latest official statement, in the annual report three weeks ago, was that it was prepared to produce a smaller car in this country "in the event a demand for such automobiles develops which gives promise of being both permanent and profitable."

General Motors would go no further than this announcement, even in response to the Ford statement. But it is generally believed around Detroit that the largest auto company is well along with remodeling its former Chevrolet truck plant at Willow Run, Mich., in preparation for small

car production. Work is proceeding at other plants and there is little doubt that G.M. is in the final stages of tooling for small cars.

Recent reports in Detroit, in fact, indicate that G.M. may introduce its compact model even earlier than previously had been expected. Regional parts warehouses are rumored to be planning the stocking of small car parts by September Other sources say pilot production of the new model will begin by July to enable dealers to stock adequate inventories for a September introduction.

Ford Expects Full Competition

Ford made it plain that it, at least, expects to be joined in the field by Chrysler and G.M. Its statement concluded that "if introduced, the car (Ford's) will be in competition with other economy cars, including cars expected to be produced in this country by other American manufacturers."

Otherwise, the Ford announcement was brief and the company declined to go futher in detailing its plans. The two officers said, in full:

"Several years ago, the company started to study the growth and nature of the demand for economy cars in the United States. In addition, the company has had under development for some time a car that would be competitive in this segment of the American market. Barring changes in the market or other circumstances, the company plans to introduce such a car during the 1960 model year." To this was added the statement that the car would compete with other economy cars.

Mr. Colbert gave the general outlines of the Chrysler small car and there is every likelihood that the Ford will be similar. He said that its wheelbase is between 105 and 110 inches, compared with 118 for a Plymouth, and its production cost is only $125 to $150 less than the $2,100 of a Plymouth. The car will be powered with a six-cylinder front end engine and the same is expected to be true of the Ford car. G.M.'s small car is schedule to have a rear-mounted pancake-type six-cylinder engine, barring further engineering difficulties.

Mr. Colbert's statements drew a response from George Romney, president of American Motors Corp., and a com-

pany spokesman said that the same reply would apply to Ford's statement.

"We expect the Big Three to follow Rambler into the field of compact cars with single unit cars for the simple reason that this is the real growth part of the market," Mr. Romney said. "If they do, compact car sales should reach an annual rate of 3 million units by 1963.

"End of Big Car Dominance"

"The upheaval that is in evidence in the automobile market is the signal for the end of big car sales dominance in the United States. The compact car will soon take over the leadership," he added.

Mr. Romney claimed that the new entrants will only expand the compact car field and the sales opportunities for American Motors' Rambler, allowing it to capitalize on its head start and experience.

Harold E. Churchill, president of Studebaker-Packard Corp., South Bend, Ind., said the Ford plan "confirms an earlier recognition by Studebaker-Packard Corp. of the obvious consumer demand for this type of automobile." He said that S-P is "in this expanding market with the Studebaker Lark right now and the public acceptance is our bulwark in the field of the sensible car."

Ford previously had released the financial results in the annual report, which was to be mailed to shareholders yesterday. It revealed that a strong fourth quarter pulled the company out of the red and gave it a net income equal to $1.75 a share for 1958, compared with $5.20 in 1957.

Ford Motor Co. and consolidated subsidiaries in the pamphlet report for the year ended December 31, 1958 show a net income of $95,742,238, including $12,112,264 gain on sale of investment in Simca. Net is equal to $1.75 a share on the 54,686,689 average number of shares of capital stock outstanding during the year.

This compares with net income of $282,754,541, equal to $5.20 a share on 54,419,192 average shares, in 1957.

Current assets as of December 31, 1958, amounted to $1,102,570,757 and current liabilities were $532,083,547, comparing with $1,091,327,770 and $656,232,611, respectively, on December 31, 1957.

Income Account of Ford Motor Co. and Consolidated Subsidiaries for the year ended December 31:

	1958	1957	1956
a-Earn per shr	$1.75	$5.20	$4.38
Sales	4,130,339,499	5,771,274,697	4,646,966,339
Divs unc subs, etc	13,288,059	16,714,022	13,036,268
Gain sale invest	12,112,264	.....	.....
Other inco, net	18,439,191	25,961,931	23,757,019
Total income	4,174,179,013	5,813,970,650	4,683,759,626
Costs & expenses	4,012,136,775	5,221,675,115	4,186,511,905
Prov. suppl compn	.....	22,940,994	18,451,485
Net bef inco taxes	162,042,238	569,354,541	478,796,236
Income taxes	66,300,000	286,600,000	242,200,000
Net income	95,742,238	282,754,541	236,596,236
Dividends	109,382,929	130,670,958	129,567,844
Defct aft divs	13,640,691	c-152,083,583	c-107,028,392
Avg captl shs	54,686,689	54,419,192	b-53,956,992

a-Based on average number of shares outstanding in each period. b-Adjusted to give effect to the January, 1956 reclassification of stock. c-Surplus.

Balance sheet items of Ford Motor Co. and consolidated subsidiaries as of December 31:

Assets:	1958	1957	1956
a-Prop, plt & eqp	$1,673,313,266	$1,842,297,027	$1,686,065,619
Inv & non-curr rec	123,444,956	109,464,202	101,059,183
Cash	83,256,016	77,464,184	96,660,982
Market secs	368,350,948	187,690,273	118,470,322
Receivables	155,314,293	151,506,750	134,920,275
Inventories	474,299,528	653,594,572	397,493,385
Prepaid expenses	21,349,972	21,071,991	19,631,691
Deferred charges	62,886,600	71,383,323	38,333,461
Total	2,962,215,579	3,114,472,322	2,792,634,918
Liabilities:			
Cap stk, $5 par	$273,809,215	$272,427,850	$270,068,475
Accts pay, etc	532,083,547	575,184,174	683,104,172
b-U.S. income tax	.....	84,048,437	.....
Long-term debt	250,000,000	250,000,000	58,615,000
Other liabilities	38,497,456	58,766,177	63,435,170
Capital surplus	284,059,007	279,638,639	272,088,639
Retained earnings	1,583,766,354	1,597,407,045	15,,4423,3462
Total	2,962,215,579	3,114,472,322	2,792,634,918

a-After depreciation. b-Net of U.S. Government securities.

World Telegram
3-12-59

Sales of Ford's English Line Up

Ford Motor Co. reports sales of the English Ford line in the U.S. market totaled 3900 units in February, up from 2175 a year ago.

February sales of Ford's German Taunus model last month numbered 536 units against 447 in January.

[fol. 3535] DEFENDANTS' TRIAL EXHIBIT No. DP-65

The Wall Street Journal, March 4, 1959

Ford Division Plans to Boost March Auto Output 80% Over '58

By a Wall Street Journal Staff Reporter.

Dearborn, Mich.—The Ford division of Ford Motor Co. will build 80% more cars in March than it turned out in the corresponding month last year, J. O. Wright, company vice president and general manager of the division said in a statement released in San Francisco.

This would mean an output of 135,000 cars in March, since the division assembled 75,000 units in March, 1958.

Another 7% increase in production over a previously scheduled boost brings expected output to that level, Mr. Wright said. The Ford division said this was the second 7% increase over preceding plans in about two weeks.

About 400,000 Ford cars will be built in the first quarter, up 37% over the first period of 1958, Mr. Wright added. The division assembled 261,845 units in the first two months of this year.

Chrysler Corp. reported retail sales of its Imperial cars in the middle third of February totaled 565 cars, up 53% from the similar February 11-20 period last year.

Chrysler was able to keep its Imperial car plant in Detroit working during the recent Pittsburgh Plate Glass Co. strike, which caused glass shortages that closed most of the auto maker's car assembly plants.

[fol. 3536] The Wall Street Journal, March 5, 1959

Ford Plans $35 Million Modernization of Steel Facilities at Dearborn

Detroit—Ford Motor Co. announced a $35 million quality improvement and modernization program at its steel-making facilities at the Rouge plant in Dearborn, Mich.

The project is to get under way as soon as engineering plans are completed and be finished by mid-1962.

Ford's 1959 ingot capacity is 1,898,600 tons.

"When this program is completed our steel division facilities and processes will be among the most modern

for melting, rolling and finishing highest quality automotive steels," Irving A. Duffy, Ford vice president, said.

The modernization program includes a 75,000-square-foot building extension of the cold rolling mill.

A bank of four soaking pits will be added to the present 20 in the rolling mill.

A fourth slab reheating furnace at the hot strip mill and a new four-stand tandem cold rolling mill will be installed and additional annealing facilities are planned.

[fol. 3537] Dow-Jones News Service, March 5, 1959

Ford Motor

N Y—DJ—reports were rampant in the street that the Ford Foundation is preparing to dispose of part of its holdings of Ford Motor Co. stock.

However, officials at the Foundation were not immediately available for comment.

Officials at the motor company itself disclaimed knowledge of the reported offering.

—v—

3:28 P.M.

Add—Ford Motor

N Y—DJ—officials at the Ford Foundation declined to comment on street reports that the Foundation was planning to make an offering of part of its holdings of Ford Motor Co.

—v—

[fol. 3538] The Wall Street Journal, March 6, 1959

Ford Motor gave up ¾ accompanied by Street rumors the Ford Foundation is preparing to dispose of part of its holdings in the company. Officials of the concern disclaimed knowledge of the reported offering and Foundation officials refused comment. Ford has about 54 million shares outstanding of which 12 million are in the hands of the public, 36 million are held by the Foundation, and 6,000,000 owned by the Ford family.

[fol. 3539] World Telegram & Sun, March 6, 1959

Ford was clipped a bit as unofficial talk had the Ford Foundation unloading more of its heavy bundle of stock

in the motor company. For Great A&P it was official that some of the Hartford heirs are readying a large public offering of shares and it was prominent at a new low since the shares were split.

[fol. 3540] The New York Times, March 6, 1959

Ford Rumor

A spokesman for the Ford Foundation had "no comment" yesterday on rumors that the organization was preparing to sell a large block of its 36,132,239 shares of Ford Motor Company stock.

An official of Blyth & Co., Inc., investment banking concern which led the underwriting of the first public sale of Ford stock in January, 1956, also refused to confirm or deny the Wall Street reports. Officials of the Ford Company disclaimed knowledge of an offering.

The foundation sold 10,200,000 shares of Ford common stock at $64.50 a share in 1956. The stock closed at $56.87, off 75 cents a share in yesterday's trading on the New York Stock Exchange. Volume was 26,800 shares. Its price range this year has been $37.37 to $57.75.

[fol. 3541] The World Telegram, March 9, 1959

Ford Renews Claim on Sales Leadership

Associated Press

Detroit, March 9.—The Ford division repeated its claim of leadership today in new car sales for the 1959 model year, stating that retail sales for the final third of February averaged 5000 cars a day. It said more than half a million Ford cars have been sold since the 1959 model was introduced 4½ months ago. Total unit sales for February were not announced.

Ford also said unfilled retail orders in the last 10 days of February were 24 percent higher than in the second 10 days.

Chevrolet, which also has claimed leadership in the industry's new car sales, reported last week its February car deliveries totaled more than 115,000 units.

Kansas	601	.3	...	...	...	...	...
Kentucky	2 711	1.4	241 001	.5	2.2% - 7.8%	8 000	Yes
Louisiana	769	.4	53 858	.1	2% - 6%	50 000	Yes
Maine	1 512	.8	109 342	.3	-	-	-
Maryland	4 248	2.2	438 282	1.0	3% - 5%	500	No
Massachusetts	12 672	6.5	2 138 848	4.7	7.38%	-	No
Michigan	3 297	1.7	362 623	.8	-	-	-
Minnesota	1 315	.7	179 303	.4	1.1% - 11%	20 000	Yes
Mississippi	286	.1	15 472	-	2% - 6%	25 000	No
Missouri	3 345	1.7	455 540	1.0	1% - 4%(4)	9 000	Yes
Montana	274	.1	18 437	.1	1% - 5%	7 000	Yes

[fol. 3542] The Wall Street Journal
Thursday, March 19, 1959

Ford Motor's Ford division said its retail sales for the first third of March were up 58% from the like 1958 period. Industry sales, according to unofficial estimates, were up 23%. Ford added that its share of the total market was the highest in post-war history, amounting to almost 28% of all U.S.-built cars sold.

* * * * * * *

Ford Division Says Its Sales in Early March Rose 58% From 1958

By a Wall Street Journal Staff Reporter

Detroit—Ford division of Ford Motor Co. announced its dealer sales for the first third of March were up 58% from the corresponding period last year.

Industry sales, according to unofficial estimates, were up 23.3% in the same March 1-10 period.

Ford added that its share of the total market was the highest in post-war history. Based in unofficial estimates of 133,150 new car sales in the period, *Ford division accounted for almost 28% of all U.S.-built cars sold.*

"During this period," said James O. Wright, general manager, "Ford sales averaged 4,669 new cars and 869 new trucks each selling day." This would indicate total sales for the period of 37,352 passenger cars and 6,952 trucks.

Mr. Wright said Ford's sales rate has been increasing steadily since the first of the year. March car sales, he added, are up 10% from the first third of February and 18% from early January. Truck sales are up 7% from February and 21% from January, Mr. Wright said.

By a Wall Street Journal Staff Reporter

Washington—The Army awarded Ford Motor Co., Detroit, two contracts, totaling $13,491,817 for trucks.

Under one contract, the Army will buy 2,142 1½ ton trucks for $4,681,677. The second contract, for $8,810,140 provides for 6,421 half-ton pickup trucks.

[fol. 3543] The Wall Street Journal, March 25, 1959

Ford Motor President Indicates 1st Quarter Sales, Net Will Gain

Improved Sales of '59 Models, Rising Profits in Final '58 Period, Cost-Cutting Cited

By a Wall Street Journal Staff Reporter

New York—Henry Ford II, president of Ford Motor Co., declined to estimate sales and earnings for the first quarter of 1959 at an information meeting with investment bankers. But, in answer to a question on the company's first quarter operations, he cited improved sales so far of 1959 models, which increased profits in the fourth quarter last year, plus successful manufacturing cost-cutting, and advised the bankers to "draw your own conclusions."

The meeting was held in preparation for sale by the Ford Foundation of another two million shares of Ford Motor Co. common stock. It is understood the sale will yield the foundation an amount not in excess of $108,500,000.

The sale will qualify as the second largest "secondary" offering on record. It is exceeded in value only by the 10,200,000 shares of the auto concern the foundation sold in January, 1956. That transaction had a gross value of $657,900,000 and brought the foundation net proceeds of $642,600,000.

Unit Production Cost Cut

Theodore O. Yntema, financial vice president, said that in the period from 1954 to 1958 the company has cut the cost of producing an automobile an average of $94 a unit. Personnel and salary cuts since 1957 will result in savings of $100 million a year, he said.

In the first quarter of 1958, Ford's net income was $22.7 million, or 42 cents a share, on net sales of $1,095,000,000.

Mr. Yntema stated that net cash on hand at the end of February, 1959, was $559 million, compared with $452 million on December 31, 1958. This was the highest level since 1955, he said, and reflected improved sales.

Capital expenditures for 1959 were projected by Mr. Yntema to be $179 million against $187 million in 1958. The depreciation allowance, which supplies funds for these expenditures, is projected to be $100 million. This compares with $89 million in 1958.

[fol. 3545] DEFENDANTS' TRIAL EXHIBIT NO. DP-67

General Motors Common Stock Closing Prices
Actual and Deflated by Standard & Poor's

Composite 500 Common Stock Price Index (1941-1943=10)
June, 1958-April 8, 1959

	Date	Closing S & P 500 Stock Price Index (1)	General Motors Closing Price on N.Y.S.E. Actual (2)	Deflated (3)
Monthly	June 30, 1958	45.24	$39.625	$8.759
	July 31,	47.19	43.875	9.298
	Aug. 29,	47.75	43.125	9.031
	Sept. 30,	50.06	47.625	9.514
	Oct. 31,	51.33	48.750	9.497
	Nov. 28,	52.48	48.500	9.242
	Dec. 31,	55.21	49.500	8.966
	Jan. 30, 1959	55.42	48.375	8.729
Weekly	Feb. 6, 1959	54.37	46.500	8.553
	Feb. 13,	54.42	46.000	8.453
	Feb. 20,	55.52	48.375	8.713
	Feb. 27,	55.41	46.125	8.324
	Mar. 6,	56.21	46.125	8.206
	Mar. 13,	56.67	46.125	8.139
	Mar. 20,	56.39	45.750	8.113
	Mar. 26,	55.76	45.250	8.115
Daily	Mar. 30, 1959	55.45	45.000	8.115
	Mar. 31,	55.44	45.000	8.117
	Apr. 1,	55.60	45.125	8.103
	Apr. 2,	56.00	45.375	8.103
	Apr. 3,	56.44	47.000	8.327
	Apr. 6,	56.60	48.125	8.503
	Apr. 7,	56.48	47.625	8.432
	Apr. 8,	56.21	46.75	8.317

Source: Column 1—Standard & Poor's Corporation
Column 2—Wall Street Journal
Column 3—Column (2) divided by Column (1) with the resultant quotient multiplied by 10.

Prepared by Treasury Department, E. I. du Pont de Nemours & Company.

[fol. 3646] DEFENDANTS' TRIAL EXHIBIT NO. DP-75

Morgan Stanley & Co.
Two Wall Street
New York 5, N.Y.
New York

May 18, 1959.

Covington & Burling,
701 Union Trust Building,
Washington 5, D. C.

Attention: Charles A. Horsky, Esq.

Gentlemen:

Re: U. S. v. E. I. du Pont de Nemours, et al

You have furnished us with a copy of the letter of Victor H. Hansen, Assistant Attorney General, Antitrust Division, U. S. Department of Justice, dated April 3, 1959, addressed to Philip A. Loomis, Director, Division of Trading and Exchanges, Securities and Exchange Commission, and also of Mr. Loomis' answer dated April 8, 1959, and a supplementary answer dated April 22, 1959, by Manuel F. Cohen, Chief Counsel, Division of Corporation Finance of the Securities and Exchange Commission.

You have asked for "comments on any difficulties that would arise . . . by the procedures outlined in the letters." It is our understanding from the above correspondence that the seller—in this case the Trustee—would provide for the annual registration of a continuous offering of General Motors stock in the amount of approximately 2,000,000 shares to be followed in nine subsequent years by the same procedure. We have discussed the correspondence with our counsel, Davis Polk Wardwell Sunderland & Kiendl, and have been told that such a Registration Statement would cover only the shares presently proposed to be offered and would have to set forth in detail the proposed plan or plans of sale. We presume such sales would be proposed to be made through brokerage transactions on the New York or other Stock Exchanges. The Trustee, however, would have complete discretion by an appropriate amendment or supplement to the Registration Statement, to change this method of sale and to sell the registered shares either through a secondary or special offering or privately.

[fol. 3546a] Mr. Hansen's letter cites three prospectuses covering distributions of registered shares on Exchanges. The Pacific Petroleums prospectus of February 11, 1959, covers the possible distribution of 160,792 shares of the Company's common stock, a large part of which may be subsequently issued to various holders of options. At the then market price of 17⅝ the maximum amount of the offering would be under $2,900,000. The Israel-American Oil prospectus dated October 28, 1954, covers the offering of 750,000 shares at a fixed price of $2.50 per share and is not an offering on an Exchange. The March 27, 1956 supplement to the prospectus covers 353,800 shares which may be sold on the American Stock Exchange or in the over-the-counter market or directly to purchasers. The amount covered at the indicated prevailing price would be under $1,900,000. There was a further supplement dated April 29, 1957, not mentioned by Mr. Hansen, where the dollar value registered was under $375,000. The Sun Oil prospectus of June 9, 1958, covers the possible sale by a number of stockholders on the New York Stock Exchange, the Philadelphia-Baltimore Stock Exchange or otherwise, of a maximum aggregate of 243,288 shares of common stock. We do not know the actual amount sold. At the then prevailing price of $62.75, the maximum amount would be $15,266,322. None of these offerings is comparable to an offering of 2,000,000 shares of General Motors each year for ten years.

The reported volume of General Motors shares sold on the New York Stock Exchange in 1958 was 7,648,400. The offerings by the Trustee, if made on that Exchange, would thus tend to increase the volume by over 25% and would be complicated by the competition of the disorganized selling of General Motors by du Pont stockholders, which we estimated would be in the area of 1,250,000 shares per year (page 1578 of Record). This amount we believe would be sold by such stockholders principally in order to raise funds to pay the increased income taxes inherent in the taxable distribution to them each year of approximately 4,300,000 shares. The offerings by the Trustee would be further complicated by the similarly disorganized selling of those present stockholders of General Motors who would be unwilling to retain an investment, the market price of which would be depressed for a ten-year period.

While the method outlined in Mr. Hansen's letter, would give the Trustee freedom as to the selling method it would choose, the implication of his letter is that at least an attempt would be made to distribute this stock on the Exchange. His letter states:

> [fol. 3546b] The Department of Justice has assumed on the basis of these three issues that the Trustee would similarly be free to register an average of two million shares each year and make sales of all or part of the stock through the exchanges at the market price or at a formula price with the understanding that the prospectus would be amended to show any formal secondary or other form of offering as such offerings are made from time to time.

Were the Court to adopt the Government proposal and should the shares be registered under the method outlined by Mr. Hansen, I see no reason to change my estimate given at the hearing before Judge La Buy (page 1622 of Record) that the combined impact of the disorganized sales by du Pont stockholders and the Trustee's sales would cause General Motors to sell in the area of 20% to 25% below the price that would otherwise have prevailed. Regardless of the mechanics of sale, the supply of stock which investors would have to absorb would be unchanged. Moreover, because of the constant uncertainty as to the methods of sale to be employed by such a registration, it is my feeling that the impact would tend to be increased rather than diminished and the market would be less apt to rally. We know of no distribution even remotely comparable to the proposed annual distribution of General Motors by the Trustee, that has even been made as a brokerage transaction on an Exchange. Years of experience have shown that this is not the most effective method of distributing very large offerings and substantially all of the testimony in the hearings before Judge La Buy by witnesses experienced in handling such offerings was to the effect that from a practical point of view the distribution would have to be made in the form of an underwritten secondary or secondaries.

Because of the size of these annual distributions it is my firm belief that the most effective method and the one

that would give the largest net return to the stockholders for whose account the sale would be made (Christiana Securities, Delaware Realty & Investment and the stockholders of the latter) would be for the Trustee to negotiate each distribution with one nationwide underwriting group that would include substantially all of the major distributing firms in the country. While the commission or spread that would have to be afforded such a group would definitely be larger per share than a New York stock Exchange brokerage commission, a negotiated secondary [fol. 3547] would enlist the efforts of the country's major investment banking firms whose salesmen would make a concentrated effort to develop a demand for the particular stock involved, which would be essential to make the distribution possible and which would tend to offset this very large increase in supply. Were the Trustee to follow the method implied by, but not required by, Mr. Hansen's letter and initiate a distribution on the floor of the Exchanges, it is my belief that in all probability whatever sales were made by this method would definitely push down the market value of General Motors. If, after initiating such sales, the Trustee then changed its method of distribution and negotiated a secondary, the sale of the remaining shares, which might be the bulk of the 2,000,000 would be at a price already lowered through the brokerage transactions. I do not believe this method would obtain the best possible price for the du Pont stockholders involved.

In summary, I feel that the method of registration outlined by Mr. Hansen implying a distribution through brokerage transactions on Exchanges, or a combination of such sales with other methods, is theoretically workable but that practically it would not be the best method by which to distribute annually the 2,000,000 shares of GM involved in the Government proposal. I do not feel that his suggestion would be in the best interests of the du Pont stockholders for whom the shares would be sold. The correspondence covers a mechanism of registration but the basic problem is the volume of selling that would have to be absorbed were the Court to adopt the Government's proposal.

Very truly yours, /s/ Sumner B. Emerson.

PAYMENT BY STANDARD OIL COMPANY (INDIANA) OF A PORTION OF ITS COMMON DIVIDEND IN THE COMMON STOCK OF STANDARD OIL COMPANY (NEW JERSEY) DURING THE YEARS 1948 THROUGH 1957

(All shares are on an actual basis, except where otherwise noted)

Column Number →	1	2	3	4	5	6	7	8
Year	Jersey Shares Paid by Indiana	Jersey Shares Held by Indiana At December 31	Jersey Shares Traded on All U.S. Stock Exchanges	Jersey Shares Paid by Indiana as % of Jersey Shares Traded on All U.S. Stock Exchanges (Col. 1 ÷ Col. 3)	Jersey Shares Outstanding At December 31	Jersey Shares Paid by Indiana as % of Jersey Shares Outstanding at Time of Distribution (Col. 1 ÷ Col. 5)	Market Value of Jersey Shares Paid by Indiana*	Market Value of Jersey Shares Paid Per Indiana Share*
1947	-	1.7[illegible]	-	-	[illegible]	--	-	-
1948	12[illegible]	1.6	1.2[illegible]	7.0%	29.4	0.4%	$ 9.6[illegible]	$0.753
1949	127	1.5	1.4	8.9	30.2	0.4	8.7	0.687
1950	165	1.3	2.0	8.1	30.3	0.5	14.1	1.135
1951	339	2.3	3.4**	10.1	60.6	0.6	23.1	1.704
1952	278	2.1	2.1	13.1	60.6	0.5	21.1	1.519
1953	277	1.8	1.8	15.2	60.6	0.5	18.9	1.364
1954	228	1.6	3.0	7.3	65.4	0.3	21.7	1.665
1955	173	1.4	3.1	5.5	65.4	0.3	26.1	1.003
1956	479	3.8	8.1**	5.9	196.9	0.2	28.2	0.907
1957	432	3.3	6.3	6.9	203.5	0.2	21.5	0.71
Average***	-	-	-	8.8%	-	0.4%	$19.3[illegible]	-

* Based on market value of Jersey Common Stock at date of distribution.

** Adjusted to reflect stock split (See NOTE).

*** Averages Computed As Follows:
Col. 4 - 88.0% (total of Col. 4) ÷ 10 years = 8.8%
Col. 6 - 3.9% (total of Col. 6) ÷ 10 years = 0.4%
Col. 7 - $193.1[illegible] (total of Col. 7) ÷ 10 years = $19.3[illegible]
Col. 11 - $11.447 (total of Col. 8) ÷ $31.522 (total of Col. 10) = 36.3%

NOTE: (1) 1948 - Jersey Paid 5% Stock Dividend
(2) 1949 - Jersey Paid 2½ Stock Dividend
(3) 1951 - Jersey Common Split 2 for 1
(4) 1956 - Jersey Common Split 3 for 1
(1) 1954 - Indiana Common Split 2 for 1

Source: "Bank and Quotation Record" (Wm. B. Dana, Publisher)
Moody's Industrial Manual
Standard Oil Company (Indiana and New Jersey)
Annual Reports
The Fitch Stock Record

Prepared by Treasurer's Department
E. I. du Pont de Nemours & Company

Paid by of Jersey ding at ribution Col. 5)	7 Market Value of Jersey Shares Paid by Indiana*	8 Market Value of Jersey Shares Paid Per Indiana Share*	9 Cash Portion of Indiana Common Dividend per Share	10 Total Value of Indiana Common Dividend per Share	11 Market Value of Jersey Shares Paid as % of Total Value of Indiana Common Dividend (Col. 8 ÷ Col. 10)
	-	-	-	-	-
	$ 9.681	$0.753	$2.125	$2.878	26.2%
	8.7	0.687	2.00	2.687	25.6
	14.1	1.135	2.00	3.135	36.2
	23.1	1.704	2.25	3.954	43.1
	21.1	1.519	2.50	4.019	37.8
	18.9	1.364	2.50	3.864	35.3
	21.7	1.665	2.50	4.165	40.0
	26.1	1.003	1.40	2.403	41.7
	28.2	0.907	1.40	2.307	39.3
	21.5	0.71	1.40	2.110	33.6
	$19.3[illegible]	-	-	-	36.3%

ion Record" (Wm. B. Dana, Publisher)
al Manual
pany (Indiana and New Jersey)

Record

[fols. 3548-3549] DEFENDANTS' TRIAL EXHIBIT No. CHR-4

Annual Report of Christiana Securities Company

For the Year Ended December 31, 1958

Du Pont Building, Wilmington, Delaware.

[fol. 3550] Board of Directors

R. R. M. Carpenter, Jr., Walter S. Carpenter, Jr., L. du P. Copeland, A. Felix du Pont, Jr., Henry B. du Pont, Irénée du Pont, Pierre S. du Pont, 3rd, Crawford H. Greenewalt.

Officers

President, Henry B. du Pont.

Vice-Presidents, L. du P. Copeland, A. Felix du Pont, Jr., Pierre S. du Pont, 3rd.

Treasurer, L. du P. Copeland.

Assistant Treasurer, E. H. Tinney.

Secretary, E. H. Tinney.

Assistant Secretary, T. E. House.

Stock Transfer Agent, Wilmington Trust Company, Wilmington, Delaware.

Registrar, Bank of Delaware, Wilmington, Delaware.

[fol. 3551] Wilmington, Delaware, January 19, 1959

To the Stockholders of Christiana Securities Company:

There are submitted herewith your company's balance sheet as of December 31, 1958, and statement of income and earned surplus for the years ended December 31, 1958 and 1957, together with report of Haskins & Sells, independent public accountants.

Net income for the year 1958 amounted to $68,545,671, equal to 65 times the $1,050,000 required for the year's dividend on the preferred stock. After providing for the preferred dividend, there remained $67,495,671 net income applicable to the common stock, equal to $449.97 a share.

Regular quarterly dividends of $1.75 a share were paid January 2, April 1, July 1, and October 1, 1958, on the 150,000 shares of 7% cumulative preferred stock outstanding.

Dividends during the year 1958 on the 150,000 outstanding shares of common stock aggregated $450.00 a share, paid as follows:

March 14, 1958	$110.00
June 14, 1958	110.00
September 13, 1958	110.00
December 13, 1958	120.00
Total	$450.00

There was no change during the year 1958 in your company's investment securities.

The company's shareholders as of December 31, 1958 were distributed among 49 states, the District of Columbia, Hawaii, Canada, and several other foreign countries. These shareholders may be classified, generally, as follows:

	Common Stock	Preferred Stock
Men	1,189	396
Women	1,456	594
Joint tenants	162	144
Fiduciaries	470	71
Charities	171	45
Nominees, brokers and miscellaneous companies	445	104
	3,893	1,354

Respectfully submitted, Henry B. Du Pont, President

[fol. 3552] Christiana Securities Company

Balance Sheet, December 31, 1958

Assets

Cash		$ 5,271,758
Investments in Common Stock:		
E. I. du Pont de Nemours & Company, 12,199,200 shares (Closing sale price on the New York Stock Exchange at December 31, 1958 was $213.75 a share, which if multiplied by 12,199,200, would produce a figure of $2,607,579,000; this amount, however, is not represented to be either the aggregate quoted market value or the realizable value of 12,199,200 shares of the common stock of E. I. du Pont de Nemours & Company)		44,659,257
Other companies, at cost:		
General Motors Corporation, 535,500 shares (Closing sale price on the New York Stock Exchange at December 31, 1958 was $49.50 a share, indicating an aggregate market value of $26,507,250)	$ 4,825,184	
Wilmington Trust Company, 8,652 shares (Last bid price, quoted locally, was $238.00 a share, indicating an aggregate market of $2,059,176)	903,592	
The News-Journal Company (wholly owned subsidiary), 7,460 shares (The News-Journal Company's accounts at December 31, 1958 show net assets of that company of approximately $3,100,000, which amount is considered by the Board of Directors of Christiana Securities Company to represent fair value)	846,107	
		6,574,853
Total	$56,505,868	

Liabilities

Accrued Expenses		$ 55,000
Dividend on Preferred Stock—Payable January 2, 1959		262,500
Accrued Federal Income tax for 1958	$ 5,792,909	
Less amounts paid on estimates filed	2,400,000	3,392,909
Capital Stock—Authorized and outstanding:		
7% cumulative, non-voting preferred, 150,000 shares par value $100 a share (callable at $120 a share)	$15,000,000	
Common, 150,000 shares, par value $100 a share	15,000,000	30,000,000
Earned Surplus		22,795,459
Total		$56,505,868

Note—The antitrust case of *United States v. E. I. du Pont de Nemours & Company, et al.*, in which Christiana Securities Company is a defendant, is still pending in the United States District Court in Chicago for determination of appropriate relief. Various proposed judgments have been submitted by the parties and *amici curiae*. The Government's proposed judgment seeking divestiture by the du Pont Company of its General Motors stock and the du Pont Company's proposed judgment (concurred in by Christiana Securities Company), providing for retention of the stock with a pass through of voting rights, have described in the semiannual statement of June 30, 1958. In August, 1958, Andrew J. Dallstream, Esq. and Manuel E. Cowen, Esq., *amici curiae* for the du Pont shareholders and the General Motors shareholders, respectively, submitted reports in which they opposed the divestiture provisions of the Government's proposed judgment. They proposed alternative judgments, which, among other things, would allow the du Pont Company to retain its General Motors holdings, but would provide for a pass through of voting rights to the du Pont shareholders. Christiana Securities Company would in turn be required to pass through its voting rights to its shareholders. In addition, Amicus Dallstream's proposed judgment contains provisions for voluntary "take downs" by du Pont shareholders of their allocable shares of General Motors stock, subject to District Court approval of individual applications. Hearings are scheduled to begin on February 16, 1959, before the District Court in Chicago for the presentation of evidence concerning the various proposals for relief.

[fol. 3553] Christiana Securities Company

Statement of Income and Earned Surplus
for the Years Ended December 31, 1958 and 1957

	1958	1957
Income:		
Dividends received on common stocks:		
E. I. du Pont de Nemours & Company	$73,195,200	$79,294,800
General Motors Corporation	1,071,000	1,071,000
Wilmington Trust Company	73,542	77,868
The News-Journal Company	149,200	—
Total	$74,488,942	$80,443,668
Expenses other than Federal Income Tax:		
Relating to capital stock (transfer, registration, etc.)	$ 14,169	$ 13,144
Salaries	20,880	18,560
Legal and auditing fees	109,190	25,250
Franchise and payroll taxes	1,042	1,055
Rent	2,433	2,340
Miscellaneous	2,648	2,833
Total	$ 150,362	$ 63,182
Net Income before Federal Income Tax	$74,338,580	$80,380,486
Provision for Federal Income Tax	5,792,909	6,264,178
Net Income for the Year	$68,545,671	$74,116,308
Earned Surplus at Beginning of the Year	22,799,788	22,483,480
Total	$91,345,459	$96,599,788
Dividends:		
Preferred stock, $7.00 a share	$ 1,050,000	$ 1,050,000
Common stock: 1958, $450.00 a share; 1957, $485.00 a share	67,500,000	72,750,000
Total	$68,550,000	$73,800,000
Earned Surplus at End of the Year	$22,795,459	$22,799,788

See footnote to Balance Sheet.

[fol. 3554]

Haskins & Sells
Certified Public Accountants
Land Title Building
Philadelphia 10

Accountants' Report

Christiana Securities Company:

We have examined the balance sheet of Christiana Securities Company as of December 31, 1958 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and earned surplus present fairly the financial position of the Company at December 31, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

January 14, 1959

[fol. 3555] DEFENDANTS' TRIAL EXHIBIT No. CHR-5

Annual Report of Delaware Realty and Investment Company

For the Year Ended December 31, 1958

Du Pont Building, Wilmington, Delaware.

[fol. 3556] Board of Directors

William K. du P. Carpenter, L. duP. Copeland, Henry B. du Pont, Irénée du Pont, Jr., Pierre S. du Pont, 3rd, S. Hallock du Pont, Wm. Winder Laird, Bayard Sharp.

Officers

President, L. du P. Copeland.
Vice-Presidents, Irénée du Pont, Jr., Pierre S. du Pont, 3rd.
Treasure, Wm. Winder Laird
Assistant Treasurer, E. Herbert Tinney
Secretary, E. Herbert Tinney
Assistant Secretary, T. E. House

[fol. 3557] Wilmington, Delaware
January 19, 1959

To the Stockholders of Delaware Realty and Investment Company:

There are submitted herewith your company's balance sheet as of December 31, 1958, and statement of income and earned surplus for the years ended December 31, 1958 and 1957, together with report of Haskins & Sells, independent public accountants.

Net income for the year 1958 amounted to $27,601,401, equal to $35.16 a share on the 785,000 shares of Delaware Realty and Investment Company capital stock outstanding at December 31, 1958.

Dividends during the year 1958 on Delaware Realty and Investment Company capital stock aggregated $34.85 a share, paid as follows:

March 14, 1958	$ 8.50
June 14, 1958	8.50
September 13, 1958	8.50
December 13, 1958	9.35
Totals	$34.85

At December 31, 1958 there were 212 stockholders of record.

There was no change during the year 1958 in your company's investment securities.

Respectfully submitted, L. du P. Copeland, President

[fol. 3558] Delaware Realty and Investment Company

Balance Sheet, December 31, 1958

Assets

Cash		$ 1,608,376
Investments in Capital Stocks (Note 1):		
Christiana Securities Company:		
Preferred, 7% cumulative—43,500 shares	$ 3,654,000	
Common—49,000 shares	2,970,359	
E. I. du Pont de Nemours & Company:		
Preferred, $4.50 cumulative—16,256 shares	1,298,056	
Common—1,217,920 shares	3,736,978	
Hercules Power Company—		
Common—300,000 shares	509,438	
Total		12,168,831
Total		$13,777,207

See the accompanying Notes to Financial Statements.

Liabilities

Accrued Expenses		$ 53,000
Accrued Federal Income tax for 1958	$ 2,331,717	
Less amounts paid on estimates filed	940,000	1,391,717
Capital Stock—Authorized 800,000 shares of no par value; issued and outstanding, 785,000 shares		785,000
Earned Surplus		11,547,490
Total		$13,777,207

[fol. 3559] Delaware Realty and Investment Company

Statement of Income and Earned Surplus for the Years Ended December 31, 1958 and 1957

	1958	1957
Income:		
Dividends on capital stocks:		
Christiana Securities Company:		
Preferred	$ 304,500	$ 304,500
Common	22,050,000	23,765,000
E. I. du Pont de Nemours & Company:		
Preferred	73,152	73,152
Common	7,307,520	7,916,480
Hercules Powder Company—Common	330,000	330,000
Total	$30,065,172	$32,389,132
Expenses other than Federal Income tax:		
Salaries	$ 20,880	$ 18,560
Legal and auditing fees	105,044	24,201
Franchise and payroll taxes	2,417	2,431
Rent	2,163	2,112
Miscellaneous	1,550	3,505
Total	$ 132,054	$ 50,809
Net income Before Federal Income tax	$29,933,118	$32,338,323
Provision for Federal Income tax	2,331,717	2,515,423
Net Income for the Year	$27,601,401	$29,822,930
Earned Surplus at Beginning of the Year	11,303,339	11,169,190
Total	$38,904,740	$40,992,039
Dividends Paid: 1958, $34.85 a share; 1957, $37.82 a share	27,357,250	29,688,700
Earned Surplus at end of the Year	$11,547,490	$11,303,339

See the accompanying Notes to Financial Statement.

[fol. 3560] Delaware Realty and Investment Company

Notes to Financial Statements for the Year Ended December 31, 1958

1. The carrying value of each of the investments in capital stocks is the same as the basis for Federal income tax purposes.

The quoted market price per share at December 31, 1958 and amount obtained by multiplying such prices by the number of shares owned were as follows:

	Price Per Share	Shares Owned Times Price Per Share
Christiana Securities Company:		
Preferred	$ 130.00	$ 5,655,000
Common	14,100.00	690,900,000
E. I. du Pont de Nemours & Company:		
Preferred	104.00	1,690,624
Common	213.75	260,330,400
Hercules Powder Company—		
Common	56.50	16,950,000

However, amounts computed as above are not represented to be either the aggregate quoted market or realizable values of the respective investments.

The investment in Christiana Securities Company represents 29% of that company's preferred stock and 32⅔% of its common stock outstanding. Christiana Securities Company owns, in addition to other investments, approximately 27% of the outstanding common stock of E. I. du Pont de Nemours & Company.

2. The antitrust case of *United States* v. *E. I. du Pont de Nemours & Company, et al.*, in which Delaware Realty and Investment Company is a defendant, is still pending in the United States District Court in Chicago for determination of appropriate relief. Various proposed judgments have been submitted by the parties and *amici curiae*. The Government's proposed judgment seeking divestiture by the du Pont Company of its General Motors stock, and the du Pont Company's proposed judgment (concurred in by Delaware Realty and Investment Company) providing for retention of the stock with a pass through of voting rights, have been described in the semiannual statement of June 30, 1958. In August, 1958, Andrew J. Dallstream, Esq. and Manuel E. Cowen, Esq., *amici curiae* for the du Pont shareholders and the General Motors shareholders respectively, submitted reports in which they opposed the divesti-

ture provisions of the Government's proposed judgment. They proposed alternative judgments, which, among other things, would allow the du Pont Company to retain its General Motors holdings, but would provide for a pass through of voting rights to the du Pont shareholders. Christiana Securities Company and Delaware Realty and Investment Company would in turn be required to pass through their voting rights to their respective shareholders. In addition, Amicus Dallstream's proposed judgment contains provisions for voluntary "take downs" by du Pont shareholders of their allocable shares of General Motors stock, subject to District Court approval of individual applications. Hearings are scheduled to begin on February 16, 1959, before the District Court in Chicago for the presentation of evidence concerning the various proposals for relief.

[fol. 3561] Haskins & Sells

Certified Public Accountants

Land Title Building
Philadelphia 10

Accountants' Report

Delaware Realty and Investment Company:

We have examined the balance sheet of Delaware Realty and Investment Company as of December 31, 1958 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and earned surplus present fairly the financial position of the Company at December 31, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells.

January 14, 1959.

(Here follow 3 Photolithographs, side folios 3562, 3563, 3564)

CHRISTIANA SECURITIES COMPANY

TOTAL REALIZED LOSS IN ASSET VALUE RESULTING FROM SALE OF G.M. STOCK UNDER GOVERNMENT PLAN

AT VARIOUS SALES PRICES FOR G.M. STOCK

	$46 (Present Market)	$43.70 (-5%)	$41.40 (-10%)	$39.10 (-15%)	$36.80 (-20%)	$34.50 (-25%)	$32.20 (-30%)	$29.90 (-35%)	$27.60 (-40%)
ent Market Value of ocable and Directly ed G.M. Stock ($46)	$799,852,000	$799,852,000	$799,852,000	$799,852,000	$799,852,000	$799,852,000	$799,852,00	$799,852,000	$799,852,000
s Sales Proceeds at ious Sales Prices	799,852,000	759,859,000	719,867,000	679,874,000	639,882,000	599,889,000	559,896,000	519,904,000	479,911,000
rket Loss (1)	---	39,993,000	79,985,000	119,978,000	159,970,000	199,963,000	239,956,000	279,948,000	319,941,000
sts of Sales	26,402,000	26,386,000	26,370,000	26,354,000	26,338,000	26,322,000	26,306,000	26,290,000	26,274,000
vidend Taxes	2,747,000	2,747,000	2,747,000	2,747,000	2,747,000	2,747,000	2,747,000	2,747,000	2,747,000
pital Gains Taxes (2)	183,351,000	173,357,000	163,363,000	153,368,000	143,374,000	133,380,000	123,386,000	113,392,000	103,398,000
l Realized Loss Asset Value	$212,500,000	$242,483,000	$272,465,000	$302,447,000	$332,429,000	$362,412,000	$392,395,000	$422,377,000	$452,360,000

Calculated on the basis of $1.50 per share distribution cost plus applicable federal transfer taxes.

Based on the following cost bases:
(a) $2.09 per share on Christiana's 16,852,585 allocable G.M. shares from its du Pont holdings.
(b) $9.01 per share on Christiana's 535,500 directly owned G.M. shares.

DELAWARE REALTY AND INVESTMENT COMPANY

TOTAL REALIZED LOSS IN ASSET VALUE RESULTING FROM SALE OF G.M. STOCK UNDER GOVERNMENT PLAN

AT VARIOUS SALES PRICES FOR G.M. STOCK

	$46 (Present Market)	$43.70 (-5%)	$41.40 (-10%)	$39.10 (-15%)	$36.80 (-20%)	$34.50 (-25%)	$32.20 (-30%)	$29.90 (-35%)	$27.60 (-40%)
esent Market Value of llocable G.M. Stock $46)	$77,395,000	$77,395,000	$77,395,000	$77,395,000	$77,395,000	$77,395,000	$77,395,000	$77,395,000	$77,395,000
oss Sales Proceeds at arious Sales Prices	77,395,000	73,525,000	69,655,000	65,786,000	61,916,000	58,046,000	54,176,000	50,307,000	46,437,000
Market Loss	---	3,870,000	7,740,000	11,609,000	15,479,000	19,349,000	23,219,000	27,088,000	30,958,000
Costs of Sales (1)	2,555,000	2,553,000	2,552,000	2,550,000	2,549,000	2,547,000	2,546,000	2,544,000	2,543,000
Dividend Taxes	274,000	274,000	274,000	274,000	274,000	274,000	274,000	274,000	274,000
Capital Gains Taxes (2)	17,831,000	16,864,000	15,897,000	14,930,000	13,963,000	12,996,000	12,029,000	11,062,000	10,095,000
tal Realized Loss on .M. Shares Received rom Directly Owned u Pont Stock	20,660,000	23,561,000	26,463,000	29,363,000	32,265,000	35,166,000	38,068,000	40,968,000	43,870,000
alized Loss in Asset alue of Christiana hares Owned by elaware	69,424,000	79,219,000	89,014,000	98,809,000	108,605,000	118,400,000	128,195,000	137,991,000	147,786,000
tal Loss in Asset alue of Delaware	$90,084,000	$102,780,000	$115,477,000	$128,172,000	$140,870,000	$153,566,000	$166,263,000	$178,959,000	$191,656,000

) Calculated on the basis of $1.50 per share distribution cost plus applicable federal transfer taxes.

) Based on du Pont's cost basis of $2.09 per G.M. share.

CHRISTIANA AND DELAWARE COMBINED

TOTAL REALIZED LOSS IN ASSET VALUE RESULTING FROM SALES OF G.M. STOCK UNDER GOVERNMENT PLAN

AT VARIOUS SALES PRICES FOR G.M. STOCK

	$46 (Present Market)	$43.70 (-5%)	$41.40 (-10%)	$39.10 (-15%)	$36.80 (-20%)	$34.50 (-25%)	$32.20 (-30%)	$29.90 (-35%)	$27.60 (-40%)
ent Market Value of . ($46)	$877,247,000	$877,247,000	$877,247,000	$877,247,000	$877,247,000	$877,247,000	$877,247,000	$877,247,000	$877,247,000
s Sales Proceeds at ious Sales Prices	877,247,000	833,384,000	789,522,000	745,660,000	701,798,000	657,935,000	614,072,000	570,211,000	526,348,000
rket Loss (1)	---	43,863,000	87,725,000	131,587,000	175,449,000	219,312,000	263,175,000	307,036,000	350,899,000
ts of Sales	28,957,000	28,939,000	28,922,000	28,904,000	28,887,000	28,869,000	28,852,000	28,834,000	28,817,000
idend Taxes	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000
ital Gains Taxes (2)	201,182,000	190,221,000	179,260,000	168,298,000	157,337,000	146,376,000	135,415,000	124,454,000	113,493,000
Realized Loss in t Value	$233,160,000	$266,044,000	$298,928,000	$331,810,000	$364,694,000	$397,578,000	$430,463,000	$463,345,000	$496,230,000

Calculated on the basis of $1.50 per share distribution costs plus applicable federal transfer taxes.

Computed on the following cost bases:
(a) $2.09 per G.M. share allocable to Christiana (16,852,585 G.M. shares) and to Delaware (1,682,496 G.M. shares).
(b) $9.01 per G.M. share directly owned by Christiana (535,500 shares).

[fol. 3565] DEFENDANTS' TRIAL EXHIBIT NO. CHR-9

Christiana Securities Company

Pro-Forma Income Statement Assuming Completion of Forced G.M. Sales and the Reinvestment of the Proceeds Therefrom under a Taxable Distribution of Such Shares

Dividend Income	
du Pont	$39,647,400
Wilmington Trust and News-Journal	222,742
Income from Reinvested Proceeds of G.M. Sales[1]	14,952,907
Total	54,823,049
Less Expenses	150,362
Net Income Before Federal Taxes	54,672,687
Federal Income Taxes	4,198,009
Net Income	50,474,678
Preferred Dividends	1,050,000

		Actual 1958	Per Cent Reduction
Pro-Forma Net Income Applicable to Common Stock	$49,424,678	$67,495,671	26.8%
Pro-Forma Net Income Per Common Share	$ 329.50	$ 449.97	26.8%
Pro-Forma Dividend	$ 325.00	$ 450.00	27.8%

[1] Derived by applying the current yield of 3.27% on the Dow-Jones Industrials to the total proceeds available for reinvestment.

Note: Assumes Pro-Forma du Pont (ex-G.M.) dividend of $3.25 per share.

[fol. 3566] DEFENDANTS' TRIAL EXHIBIT NO. CHR-10

Delaware Realty and Investment Company

Pro-Forma Income Statement Assuming Completion of Forced G.M. Sales and the Reinvestment of the Proceeds Therefrom under a Taxable Distribution of Such G.M. Shares

Dividend Income:			
Christiana:			
Preferred Stock	$ 403,500		
Common Stock	15,925,000		
E. I. du Pont:			
Preferred Stock	73,152		
Common Stock	3,958,240		
Hercules Powder Co.—			
Common	330,000		
Income from Reinvested Proceeds of the G.M. Sales[1]	1,443,662		
Total	$22,034,554		
Less Expenses	132,054		
Net Income Before Federal Income Tax	$21,902,560		
Federal Income Tax	1,650,027		
		Actual 1958	Per Cent Reduction
Pro-Forma Net Income	$20,252,473	$27,601,401	26.6%
Pro-Forma Net Income Per Share	$ 25.80	$ 35.16	26.6%
Pro-Forma Dividend	$ 25.00	$ 34.85	28.3%

[1] Derived by applying the current yield of 3.27% on the Dow-Jones Industrials to the total proceeds available for reinvestment.

Note:

Assume:

(1) Pro-Forma Christiana dividend of $325 per share

(2) Pro-Forma du Pont (ex G.M.) dividend of $3.25.

Other dividend income amounts are actual 1958 figures.

[fol. 3567] DEFENDANTS' TRIAL EXHIBIT NO. CHR-11

Christiana Securities Company

Pro-Forma Income Statement Assuming Completion of the Forced G.M. Sales and the Reinvestment of the Proceeds Therefrom under a Tax-Free Distribution of Such Shares

Dividend Income	
du Pont	$39,647,400
Wilmington Trust and News-Journal	222,742
Income from the Reinvested Proceeds of G.M. Sales[1]	16,345,949
Total	56,116,091
Less Expenses	150,362
Net Income Before Federal Income Taxes	55,965,729
Federal Income Taxes	4,298,867
Net Income	51,666,862
Preferred Dividends	1,050,000

		Actual 1958	Per Cent Reduction
Pro-Forma Net Income Applicable to Common Stock	$50,616,862	$67,495,671	25.0%
Pro-Forma Net Income Per Common Share	$ 337.45	$ 449.97	25.0%
Pro-Forma Annual Dividend	$ 335.00	$ 450.00	25.6%

[1] Derived by applying the current yield of 3.27% on the Dow-Jones Industrials to the total proceeds available for reinvestment.

Note: Pro-Forma du Pont (ex-G.M.) dividend of $3.25.

[fol. 3568] DEFENDANTS' TRIAL EXHIBIT NO. CHR-12

Delaware Realty and Investment Company

Pro-Forma Income Statement Assuming Completion of Forced G.M. Sales and the Reinvestment of the Proceeds Therefrom under a Tax-Free Distribution of Such G.M. Shares

Dividend Income:				
Christiana:				
Preferred Stock	$ 304,500			
Common Stock	$16,415,000			
E. I. du Pont:				
Preferred Stock	73,152			
Common Stock	3,958,240			
Hercules Powder Co.—				
Common	330,000			
Income from Reinvested Proceeds of the G.M. Sales[1]	1,561,392			
Total	$22,642,284			
Less Expenses	132,054			
Net Income Before Federal Income Taxes	$22,510,230			
Federal Income Taxes	1,697,430			
			Actual 1958	Per Cent Reduction
Pro-Forma Net Income	$20,812,800		$27,601,401	24.6%
Pro-Forma Net Income Per Share	$ 26.51		$ 35.16	24.6%
Pro-Forma Dividend	$ 26.00		$ 34.85	25.4%

[1] Derived by applying the current yield of 3.27% on the Dow-Jones Industrials to the total proceeds available for reinvestment.

Note:

Assume:

(1) Pro-Forma Christiana dividend of $335 per share

(2) Pro-Forma du Pont (ex G.M.) dividend of $3.25 per share

Other dividend amounts are actual 1958 figures.

[fol. 3569] GENERAL MOTORS TRIAL EXHIBIT No. GM-1

General Motors Hourly-Rate Employes Pension Trust
The First National Bank of Chicago, Trustee

Dated October 1, 1950.

[fol. 3570] To the First National Bank of Chicago, Trustee:

Pursuant to Article VIII and Section 4 of Article V of the General Motors Hourly-Rate Employes Pension Trust Agreement dated October 1, 1950, between General Motors Corporation and THE FIRST NATIONAL BANK OF CHICAGO, as Trustee, General Motors Corporation hereby serves notice that Section 1 of Article X of the said Agreement is amended, effective as of October 1, 1953, by adding the following to said Section:

"Notwithstanding the foregoing, any pensioner who elects Blue Cross, Blue Shield, or equivalent coverage, made available under the General Motors Insurance Program for Hourly-Rate Employes may, insofar as it is consistent with the regulations governing the plans providing such coverage, participate in such coverage and have deducted, pursuant to the pensioner's written authorization and direction acceptable to the Corporation, the full amount of the subscription rate as it may be established from time to time for such coverage. Any such deductions may be remitted directly to the Blue Cross, Blue Shield or other Plans, or to the Corporation for remittance to such Plans or for reimbursement to the Corporation for advances made on behalf of the pensioners to such Plans, as the Corporation may direct."

General Motors Corporation, By F. G. Donner, Vice-President, (In Charge of Finance).

December 18, 1953.

Accepted: December 23, 1953.

The First National Bank of Chicago, By Coll Gillies, Vice-President.

[fol. 3571] General Motors Hourly-Rate Employes Pension Trust

This Agreement made as of the 1st day of October, 1950, by and between GENERAL MOTORS CORPORATION, a corporation organized under the laws of the State of Delaware (hereinafter referred to as the "Corporation") and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association organized and existing under the laws of the United States of America, with its principal place of business at 33 South Clark Street, Chicago, Illinois (hereinafter referred to as the "Trustee").

Witnesseth

Whereas, the Corporation, on behalf of itself and certain of its subsidiaries, established as of October 1, 1950, a non-contributory pension plan for certain of their hourly-rate employes designated "The General Motors Hourly-Rate Employes Pension Plan" hereinafter referred to as the "Plan," which the Corporation and its subsidiaries desire to fund in part through the trust hereby created; and

Whereas, it is contemplated that some subsidiaries may become inactive, or may cease to be subsidiaries of the Corporation, or may independently terminate the Plan as to themselves, and that other subsidiaries may be formed or acquired by the Corporation and may adopt the Plan; and

Whereas, it is contemplated in the Plan that the contributions thereunder shall be made for the exclusive benefit of hourly-rate employes of the Corporation and its participating subsidiaries and that no part thereof may at any time prior to the satisfaction of all liabilities under the Plan be used for or diverted to any other purpose; and

[fol. 3572] Whereas, the Corporation and its participating subsidiaries have determined that contributions under the Plan shall be made to several trusts, of which the trust hereby created is one, such contributions to be held as trust funds for the exclusive benefit of such hourly-rate employes of the Corporation and its participating subsidiaries; and

Whereas, the Corporation desires the Trustee to hold and administer such funds and the Trustee is willing to

hold and administer such funds pursuant to the terms of this Agreement;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, the Corporation and the Trustee do hereby covenant and agree as follows:

Article I

Establishment of Trust

1. The Corporation may on behalf of itself and any subsidiary which shall have adopted the Plan and this Agreement deliver or cause to be delivered from time to time to the Trustee property acceptable to the Trustee, including the assets of any similar trust established for the purpose of funding the Plan, all of which, together with the earnings, profits and increments thereon, without distinction between principal and income, shall constitute the trust fund hereby created and established, hereinafter referred to as the "Fund."

2. The Trustee accepts the trust, and undertakes to hold, invest, distribute and administer the Fund in accordance with the provisions of this Agreement.

3. The duties and responsibilities of the Trustee shall be limited to carrying out the terms of this Agreement and the directions of the Corporation issued pursuant to this Agreement, and the Trustee shall be under no duty to seek contributions from the Corporation.

[fol. 3573] Article II

Payments by the Trustee

1. The Trustee shall make such payments out of the Fund for the purpose of paying pensions under the Plan as the Corporation shall from time to time direct. The Corporation may direct that such payments shall be made directly to pensioners entitled to pensions under the Plan (or, in the event of illness or accident certified by the Corporation, for their account), or to other persons or corporations for payment to pensioners entitled to pensions under the Plan.

2. Upon the direction of the Corporation, the Trustee shall make payments for the purchase of policies or contracts issued by life insurance companies, to be issued in

the name of any pensioner, and shall hold, or deliver to the respective pensioner or to the Corporation, as the Corporation shall direct, any such contract or any similar contract which may have been purchased under Article III.

3. Upon the direction of the Corporation, the Trustee shall transfer and pay over part or all of the Fund to any other trustee or trustees of a trust or trusts created for the purpose of funding the Plan, or shall assign and deliver to the Corporation any policy or contract issued by a life insurance company, which may have been acquired under Article III.

4. Upon making any payment, transfer, assignment or delivery as provided in this Article II, the Trustee shall be fully relieved and discharged with respect to such payment, transfer, assignment or delivery, and shall have no further responsibility with respect to the application thereof.

[fol. 3574]

Article III

Investments

1. The Trustee shall, in its sole discretion, invest and reinvest the Fund in any property, real or personal, or part interest therein, wherever situate, including but without being limited to, common and preferred stocks, personal, corporate and governmental obligations, trust and participation certificates, leaseholds, mortgages and other interests in realty, notes and other evidences of indebtedness or ownership, secured or unsecured, and including specifically real property, stocks, securities, obligations and interests of the Corporation and its subsidiaries; provided, however, that the Trustee shall apply the assets of the Fund to the payment of premiums upon or considerations for, policies or contracts issued by life insurance companies, if and only to the extent directed by the Corporation. Such investments shall not be restricted to property and securities of the character authorized for investment by trustees under any present or future laws. All rights, privileges, options and elections, contained in any policies or contracts issued by life insurance companies and acquired pursuant to the foregoing, shall vest in the Trustee and shall be exercised, assigned or otherwise disposed of as directed by the Corporation. Without liability for interest, the Trustee may keep a portion of the Fund uninvested and may deposit any uninvested funds with itself or other banks.

2. In furtherance and not in limitation of the Trustee's investment authority, the Trustee shall have full power and authority to deal with all or any part of the Fund, including, without limitation, to invest, reinvest, and change investments; to acquire any property by purchase, subscription, lease, or other means; to sell for cash or on credit, convey, lease for long or short terms, or convert, redeem or exchange, all or any part of the Fund; to borrow, including borrowing from itself individually at prevailing rates [fol. 3575] of interest for similar loans, and to pledge as security for such borrowings all or any part of the Fund; to make loans with or without security; to improve, repair and develop real property; to enforce, by suit or otherwise, or to waive, its rights on behalf of the Fund, and to defend claims asserted against it or the Fund; to compromise, adjust and settle any and all claims against or in favor of it or the Fund; to renew, extend or foreclose any mortgage or other security; to bid in property on foreclosure; to take deeds in lieu of foreclosure, with or without paying a consideration therefor; to vote, or give proxies to vote, any stock or other security, and to waive notice of meetings; to oppose, participate in and consent to the reorganization, merger, consolidation, or readjustment of the finances of any enterprise, to pay assessments and expenses in connection therewith, and to deposit securities under deposit agreements; to hold securities unregistered, or to register them in its own name or in the names of nominees; to make, execute, acknowledge and deliver any and all instruments that it shall deem necessary or appropriate to carry out the powers herein granted; and generally to exercise any of the powers of an owner with respect to all or any part of the Fund. In the exercise of the powers provided for in this Article III, the Trustee may deal with the Corporation or any of its subsidiaries as with any other person. No person dealing with the Trustee shall be bound to see to the application of any money or property paid or delivered to the Trustee or to inquire into the validity or propriety of any transaction.

Article IV

Taxes, Expenses, Compensation of Trustee

The Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Corpora-

tion and the Trustee. Unless paid by the Corporation, all expenses of the trust, including reasonable legal fees and the compensation of the Trustee, and all taxes of any nature [fol. 3576] whatsoever, including interest and penalties, assessed against or imposed upon the Trustee or the Fund or the income thereof shall be paid out of the Fund and shall constitute a charge upon the Fund.

Article V

Concerning the Trustee

1. The Trustee shall be liable only for its own negligence or wilful misconduct in failing to carry out the terms of this instrument or any directions of the Corporation issued in accordance with this instrument, and in legal matters shall be fully protected in relying upon advice of counsel, who may be counsel to the Corporation. The Trustee shall be fully protected in relying upon the directions of the Corporation issued in accordance with this instrument, and shall be under no duty to inquire into the validity or propriety of any such directions.

2. The Trustee shall keep true and accurate records of all transactions of the Fund, which shall be available for inspection and audit by authorized representatives of the Corporation at all reasonable times. Annually, or more often as directed by the Corporation, and upon its resignation or removal, the Trustee shall prepare and deliver to the Corporation an accounting of its transactions since the last previous such accounting. In the absence of the filing in writing with the Trustee by the Corporation of exceptions or objections to any such accounting within one hundred and twenty days, the Corporation shall be deemed to have approved such accounting; and in such case or upon the written approval of the Corporation of any such accounting, the Trustee shall be released, relieved and discharged with respect to all matters and things disclosed in such accounting as though such accounting had been settled by the decree of a court of competent jurisdiction. The Corporation or the Trustee may nevertheless require a judicial settlement of the accounts of the Trustee.

[fol. 3577] 3. The Trustee may resign at any time by delivering sixty days notice of its resignation to the Corporation, but the Corporation may agree to accept such

resignation upon shorter notice. The Corporation may at any time remove any trustee by delivering sixty days notice of such removal to such trustee, but such trustee may agree to such removal upon shorter notice. The Corporation shall designate a successor trustee or trustees to whom the retiring trustee shall deliver the Fund, after first reserving an amount sufficient to cover expenses and charges. Any successor trustee shall have powers and duties similar to those conferred upon the Trustee named in this Agreement.

4. The Trustee may accept as the act or direction of the Corporation any writing purporting to be such act or direction and signed by the Corporation's President, an Executive Vice President, or the Vice President in Charge of Finance, or by a person designated in writing by any of the foregoing.

Article VI

Segregation of Subsidiary or Other Unit

The Corporation may at any time segregate the plan and trust of any participating subsidiary and such subsidiary may then continue the same in accordance with the provisions of the Plan and of this Agreement as though such subsidiary were the sole creator of the Plan and of this Agreement. Such subsidiary shall file with the Trustee documents evidencing its adoption of the Plan and Agreement. In such event, the Corporation shall direct the Trustee to deliver to itself as Trustee of such separate trust such part of the Fund as may be determined by the Corporation to constitute the appropriate share of the Fund then held in respect of the employes of such sibsidiary. Such subsidiary may thereafter exercise in respect of such separate Plan and Trust Agreement all the rights and powers reserved to the Corporation under the provisions of the Plan and of this Agreement.

[fol. 3578] If any unit, not separately incorporated, of the business of the Corporation or of any participating subsidiary is disposed of, and the Corporation shall certify to such disposal and direct the segregation of assets of the Fund as if the employes regularly employed by such unit at the time of such disposal were employes of a segregated subsidiary, the Trustee shall hold such segregated assets in the same manner and for the same purposes as pro-

vided above in the event of segregation of a subsidiary, and any successor owner of the segregated unit shall have the rights hereinabove provided for a segregated subsidiary.

Article VII

Termination of Plan

1. In the event of a complete termination of the Plan or of a partial termination of the Plan which affects the Fund, the Trustee shall dispose of the Fund or that portion thereof determined by the Corporation to be affected by such termination as directed by the Corporation pursuant to the provisions of the Plan, and the Trustee shall not be under any duty to inquire as to the compliance of any such direction with the provisions of the Plan.

2. When no property remains in the hands of the Trustee the trust shall terminate.

Article VIII

Amendment

Subject to the provisions of Article IX, the Corporation may at any time by written notice to the Trustee amend the terms of this Agreement in any respect whatever; except that, without the consent of the Trustee, no amendment may increase the duties and obligations or change the compensation of the Trustee. Any amendment may be made retroactively which is necessary or advisable in the judgment of the Corporation to bring this Agreement into conformity [fol. 3579] with governmental laws or regulations so as to qualify the Plan and Agreement for tax exemption and the contributions thereunder as deductible for tax purposes.

Article IX

Irrevocability

The trust hereby created shall be irrevocable, and, anything contained in this Agreement to the contrary notwithstanding, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to employes and pensioners under the Plan for any part of the Fund to revert to the Corporation or its subsidiaries or to be used for, or diverted to, purposes other than for the exclusive benefit

of such employes and pensioners or for the payment of taxes and administration expenses. Any excess remaining after the satisfaction of all such liabilities shall revert to the Corporation and/or its participating subsidiaries, and shall be paid as directed by the Corporation.

In making any payment upon a direction of the Corporation as authorized herein, the Trustee may accept without investigation such direction as a certification that such payment complies with the provisions of this Article IX.

Article X

Employes' Interests

1. The Fund shall not in any manner be liable for or subject to the debts or liabilities of any employe or pensioner. No right, benefit or pension at any time under this Agreement or under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge or encumbrance of any kind. If any employe or pensioner shall attempt to, or shall alienate, sell, transfer, assign, pledge or otherwise encumber his rights, benefits or pensions un- [fol. 3580] der this Agreement or under the Plan, or if by reason of his bankruptcy or other event happening at any time such benefits would otherwise be received by anyone else or would not be enjoyed by him, the Corporation in its discretion may terminate his interest in such benefit and direct the Trustee to hold or apply it to or for the benefit of such person, his spouse, children or other dependents, or any of them as the Corporation may direct.

2. The Corporation shall enforce this Agreement on behalf of employes and pensioners, to the extent of their rights hereunder and interests herein.

Article XI

Miscellaneous

1. Any corporation resulting from any merger or consolidation to which the Trustee may be a party or succeeding to the trust business of the Trustee or to which substantially all the trust assets of the Trustee may be transferred shall be the successor to the Trustee hereunder without any further act or formality with like effect as if such successor trustee had originally been named trustee herein;

and in any such event it shall not be necessary for the Trustee or any successor trustee to give notice thereof to any person, and any requirement, statutory or otherwise, that notice shall be given is hereby waived.

2. This Agreement shall be construed, administered and enforced according to the laws of the State of Illinois, and the Trustee shall be liable to account only in the courts of that State.

3. If any part of this Agreement shall be found to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof, but such part shall be fully separable and this Agreement shall be construed and enforced as if such invalid or unenforceable matter had never been inserted herein.

[fol. 3581] 4. Necessary parties to any accounting, litigation or other proceeding shall include only the Trustee and the Corporation, and the settlement or judgment in any such case in which the Corporation is duly served or cited shall be binding upon the employes and pensioners, and upon any person claiming under them or claiming to represent them or any of them.

5. This Agreement shall be binding upon the parties and upon their successors and assigns.

6. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

In Witness Whereof, this instrument has been executed this 1st day of November, 1950, by General Motors Corporation and by The First National Bank of Chicago, and their respective corporate seals affixed and attested, by officers thereunto duly authorized.

General Motors Corporation By Albert Bradley, *Executive Vice President*, (Chairman of the Financial Policy Committee) (Seal)

Attest:

E. B. Wallace, Assistant Secretary.

The First National Bank of Chicago, by C. B. Jennett, Vice President. (Seal)

Attest:

R. S. Swaim, Trust Officer.

[fol. 3582] STATE OF NEW YORK,
County of New York, ss.:

On this first day of November, 1950, before me, a notary public in and for said County, personally appeared Albert Bradley, who, being by me duly sworn, did depose and say that he resides at Greenwich, Connecticut, that he is an Executive Vice President of General Motors Corporation, one of the Corporations described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said Corporation, and that he signed his name thereto by like authority.

Charles D. Kuhnen, Notary Public. (Seal)

Charles D. Kuhnen, Notary Public, State of New York #31-2215750. Qual. in N.Y.Co. Cert. Filed with Bx., Kings, Queens, Richmond, Nassau, Westchester Co. Clks. and N.Y. Bx., Kings, Queens Co. Registers Term Expires March 30, 1951.

STATE OF ILLINOIS,
County of Cook, ss.:

On this 1st day of November, 1950, before me, a notary public in and for said County, personally appeared C. B. JENNETT, who, being by me duly sworn, did depose and say that he resides at Winnetka, Ill., that is a Vice President of THE FIRST NATIONAL BANK OF CHICAGO, one of the Corporations described in and which executed the foregoing instrument; that he knows the seal of the Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said Corporation, and that he signed his name thereto by like authority.

K. Seifert, Notary Public. (Seal)
Notary Public, My Commission Expires Oct. 24, 1954.

[fol. 3583] GENERAL MOTORS TRIAL EXHIBIT NO. GM-2

General Motors Salaried Employes Non-Contributory Retirement Trust

The First National Bank of Chicago, Trustee

Dated October 1, 1950.

[fol. 3584] General Motors Salaried Employees Non-Contributory Retirement Trust

This Agreement made as of the 1st day of October, 1950, by and between GENERAL MOTORS CORPORATION, a corporation organized under the laws of the State of Delaware, (hereinafter referred to as the "Corporation") and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association organized and existing under the laws of the United States of America, with its principal place of business at 33 South Clark Street, Chicago, Illinois (hereinafter referred to as the "Trustee").

Witnesseth

Whereas, the Corporation, on behalf of itself and certain of its subsidiaries, established as of October 1, 1950, a non-contributory retirement plan for certain of their salaried employes, hereinafter referred to as the "Plan," which the Corporation and its subsidiaries desire to fund in part through the trust hereby created; and.

Whereas, the Corporation and certain of its subsidiaries have had in effect since 1940 a contributory retirement plan for certain of their salaried employes, the funding of which is being currently continued separate and apart from any arrangements made for funding of the Plan; and

Whereas, it is contemplated that some subsidiaries may become inactive, or may cease to be subsidiaries of the Corporation, or may independently terminate the Plan as to themselves, and that other subsidiaries may be formed or acquired by the Corporation and may adopt the Plan; and

Whereas, it is contemplated in the Plan that the contributions thereunder shall be made for the exclusive benefit of salaried employes of the Corporation and its participating subsidiaries and that no part thereof may at any time prior to the satisfaction of all liabilities under the Plan be used for or diverted to any other purpose; and

[fol. 3585] Whereas, the Corporation and its participating subsidiaries have determined that contributions under the Plan shall be made to several trusts, of which the trust hereby created is one, such contributions to be held as trust funds for the exclusive benefit of such salaried employes of the Corporation and its participating subsidiaries; and

Whereas, the Corporation desires the Trustee to hold and administer such funds and the Trustee is willing to hold and administer such funds pursuant to the terms of this Agreement;

Now, therefore, in consideration of the premises and of the mutual convenants herein contained, the Corporation and the Trustee do hereby convenant and agree as follows:

Article I

Establishment of Trust

1. The Corporation may on behalf of itself and any subsidiary which shall have adopted the Plan and this Agreement deliver or cause to be delivered from time to time to the Trustee property acceptable to the Trustee, including the assets of any similar trust, established for the purpose of funding the Plan, all of which, together with the earnings, profits and increments thereon, without distinction between principal and income, shall constitute the trust fund hereby created and established, hereinafter referred to as the "Fund."

2. The Trustee accepts the trust, and undertakes to hold, invest, distribute and administer the Fund in accordance with the provisions of this Agreement.

3. The duties and responsibilities of the Trustee shall be limited to carrying out the terms of this Agreement and the directions of the Corporation issued pursuant to this Agreement, and the Trustee shall be under no duty to seek contributions from the Corporation.

[fol. 3586]

Article II

Payments by the Trustee

1. The Trustee shall make such payments out of the Fund for the purpose of paying pensions under the Plan as the Corporation shall from time to time direct. The Corporation may direct that such payments shall be made directly

to pensioners entitled to pensions under the Plan (or, in the event of illness or accident certified by the Corporation, for their account), or to other persons or corporations for payment to pensioners entitled to pensions under the Plan.

2. Upon the direction of the Corporation, the Trustee shall make payments for the purchase of policies or contracts issued by life insurance companies, to be issued in the name of any pensioner, and shall hold, or deliver to the respective pensioner or to the Corporation, as the Corporation shall direct, any such contract or any similar contract which may have been purchased under Article III.

3. Upon the direction of the Corporation, the Trustee shall transfer and pay over part or all of the Fund to any other trustee or trustees of a trust or trusts created for the purposes of funding the Plan, or shall assign and deliver to the Corporation any policy or contract issued by a life insurance company, which may have been acquired under Article III.

4. Upon making any payment, transfer, assignment or delivery, as provided in this Article II, the Trustee shall be fully relieved and discharged with respect to such payment, transfer, assignment or delivery, and shall have no further responsibility with respect to the application thereof.

[fol. 3587] Article III

Investments

1. The Trustee shall, in its sole discretion, invest and reinvest the Fund in any property, real or personal, or part interest therein, wherever situate, including but without being limited to, common and preferred stocks, personal, corporate and governmental obligations, trust and participation certificates, leaseholds, mortgages and other interests in realty, notes and other evidences of indebtedness or ownership, secured or unsecured, and including specifically real property, stocks, securities, obligations and interests of the Corporation and its subsidiaries; provided, however, that the Trustee shall apply the assets of the Fund to the payment of premiums upon, or considerations for, policies or contracts issued by life insurance companies, if and only to the extent directed by the Corporation. Such investments shall not be restricted to property and securities of the character authorized for investment by trustees under any pres-

ent of future laws. All rights, privileges, options and elections, contained in any policies or contracts issued by life insurance companies and acquired pursuant to the foregoing, shall vest in the Trustee and shall be exercised, assigned or otherwise disposed of as directed by the Corporation. Without liability for interest, the Trustee may keep a portion of the Fund uninvested and may deposit any uninvested funds with itself or other banks.

2. In furtherance and not in limitation of the Trustee's investment authority, the Trustee shall have full power and authority to deal with all or any part of the Fund including, without limitation, to invest, reinvest, and change investments; to acquire any property by purchase, subscription, lease, or other means; to sell for cash or on credit, convey, lease for long or short terms, or convert, redeem or exchange, all or any part of the Fund; to borrow, including borrowing from itself individually at prevailing rates of interest for similar loans, and to pledge as security for such borrowings all or any part of the Fund; to make loans [fol. 3588] with or without security; to improve, repair and develop real property; to enforce, by suit or otherwise, or to waive, its rights on behalf of the Fund, and to defend claims asserted against it or the Fund; to compromise, adjust and settle any and all claims against or in favor of it or the Fund; to renew, extend or foreclose any mortgage or other security; to bid in property on foreclosure; to take deeds in lieu of foreclosure, with or without paying a consideration therefor; to vote, or give proxies to vote, any stock or other security, and to waive notice of meetings; to oppose, participate in and consent to the reorganization, merger, consolidation, or readjustment of the finances of any enterprise, to pay assessments and expenses in connection therewith, and to deposit securities under deposit agreements; to hold securities unregistered, or to register them in its own name or in the names of nominees; to make, execute, acknowledge and deliver any and all instruments that it shall deem necessary or appropriate to carry out the powers herein granted; and generally to exercise any of the powers of an owner with respect to all or any part of the Fund. In the exercise of the powers provided for in this Article III, the Trustee may deal with the Corporation or any of its subsidiaries as with any other person. No person dealing with the Trustee shall be bound to see to the appli-

cation of any money or property paid or delivered to the Trustee or to inquire into the validity or propriety of any transaction.

Article IV

Taxes, Expenses, Compensation of Trustee

The Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon by the Corporation and the Trustee. Unless paid by the Corporation, all expenses of the trust, including reasonable legal fees and the compensation of the Trustee, and all taxes of any nature whatsoever, including interest and penalties, assessed against or imposed upon the Trustee or the Fund or the income thereof shall be paid out of the Fund and shall constitute a charge upon the Fund.

[fol. 3589]

Article V

Concerning the Trustee

1. The Trustee shall be liable only for its own negligence or wilful misconduct in failing to carry out the terms of this instrument or any directions of the Corporation issued in accordance with this instrument, and in legal matters shall be fully protected in relying upon advice of counsel, who may be counsel to the Corporation. The Trustee shall be fully protected in relying upon the directions of the Corporation issued in accordance with this instrument, and shall be under no duty to inquire into the validity or propriety of any such directions.

2. The Trustee shall keep true and accurate records of all transactions of the Fund, which shall be available for inspection and audit by authorized representatives of the Corporation at all reasonable times. Annually, or more often as directed by the Corporation, and upon its resignation or removal, the Trustee shall prepare and deliver to the Corporation an accounting of its transactions since the last previous such accounting. In the absence of the filing in writing with the Trustee by the Corporation of exceptions or objections to any such accounting within one hundred and twenty days, the Corporation shall be deemed to have approved such accounting; and in such case or upon the written approval of the Corporation of any such accounting, the Trustee shall be released, relieved and discharged with re-

spect to all matters and things disclosed in such accounting as though such accounting had been settled by the decree of a court of competent jurisdiction. The Corporation or the Trustee may nevertheless require a judicial settlement of the accounts of the Trustee.

3. The Trustee may resign at any time by delivering sixty days notice of its resignation to the Corporation, but the Corporation may agree to accept such resignation upon shorter notice. The Corporation may at any time remove [fol. 3590] any trustee by delivering sixty days notice of such removal to such trustee, but such trustee may agree to such removal upon shorter notice. The Corporation shall designate a successor trustee or trustees to whom the retiring trustee shall deliver the Fund, after first reserving an amount sufficient to cover expenses and charges. Any successor trustee shall have powers and duties similar to those conferred upon the Trustee named in this Agreement.

4. The Trustee may accept as the act or direction of the Corporation any writing purporting to be such art or direction and signed by the Corporation's President, an Executive Vice President, of the Vice President in Charge of Finance, or by a person designated in writing by any of the foregoing.

Article VI

Segregation of Subsidiary or Other Unit

The Corporation may at any time segregate the plan and trust of any participating subsidiary and such subsidiary may then continue the same in accordance with the provisions of the Plan and of this Agreement as though such subsidiary were the sole creator of the Plan and of this Agreement. Such subsidiary shall file with the Trustee documents evidencing its adoption of the Plan and Agreement. In such event, the Corporation shall direct the Trustee to deliver to itself as Trustee of such separate trust such part of the Fund as may be determined by the Corporation to constitute the appropriate share of the Fund then held in respect of the employes of such subsidiary. Such subsidiary may thereafter exercise in respect to such separate Plan and Trust Agreement all the rights and powers reserved to the Corporation under the provisions of the Plan and of this Agreement.

If any unit, not separately incorporated, of the business of the Corporation or of any participating subsidiary is disposed of, and the Corporation shall certify to such disposal and direct the segregation of assets of the Fund as if [fol. 3591] the employes regularly employed by such unit at the time of such disposal were employes of a segregated subsidiary; the Trustee shall hold such segregated assets in the same manner and for the same purposes as provided above in the event of segregation of a subsidiary, and any successor owner of the segregated unit shall have the rights hereinabove provided for a segregated subsidiary.

Article VII

Termination of Plan

1. In the event of termination of the Plan, the Trustee shall dispose of the Fund (after reserving therefrom an amount sufficient to pay expenses and charges) by allocating and applying the Fund, pursuant to directions of the Corporation, for the following purposes and in the following manner and order to the extent of the sufficiency of the Fund:

(a) First, to provide the pensions for life to the persons who are pensioners under the Plan on the date of termination.

(b) Second, if there be any balance in the Fund remaining after complete allocation for the purposes of (a) above, to provide the pensions for life to the employes who, on the date of termination, are age 65 or over and eligible to retire and receive benefits under the Plan or have been approved for disability pensions but have not commenced to receive pensions.

(c) Third, if there be any balance in the Fund remaining after complete allocation for the purpose of (a) and (b) above, to provide the pensions for life to the employes who, on the date of termination, have reached the optional early retirement date but have not retired. Such pensions shall be computed as if such employes had retired at their option as of the date of termination and elected to receive reduced pensions commencing immediately.

(d) Fourth, if there be any balance remaining in the Fund after complete allocation for the purpose of (a), (b) and (c) [fol. 3592] above, it shall be allocated to employes who re-

main who have a pension interest because of credited service on the date of termination but not beyond the value of such interest, on a basis proportionate to the actuarial value of such interests of such employes.

2. The respective amounts allocated to the purposes set forth above shall be paid or set aside to or for the benefit of the respective pensioners and employes, in such manner and through such policies or contracts issued by life insurance companies, trust funds, or other means as the Corporation shall direct, except that if the allocation provides a pension of less than $40.00 a year for any person, the Trustee may pay to or for the benefit of such person in lieu of a pension a lump sum of equivalent actuarial value. If the Fund or the balance of the Fund available for allocation under any one of the provisions (a) through (d) in Paragraph 1 of this Article VII is insufficient to provide in full all the pensions required under such provision, all the pensions under such provision shall be calculated on a reduced basis in a uniform manner. The certificate of the Corporation as to the persons to be provided for in any class, as to actuarial values, as to the amount required to meet any obligation, and as to any other material fact, shall be conclusive and binding upon the Trustee.

3. In the event of a partial termination of the Plan, the Corporation shall certify to the Trustee the portion of the Fund affected thereby, and the Trustee shall segregate such portion and dispose of it for the benefit of the employes and pensioners affected by such termination in the same manner and order as hereinabove provided for the disposition of the entire Fund in the event of a complete termination of the Plan.

4. When no property remains in the hands of the Trustee the trust shall terminate.

[fol. 3593]

Article VIII

Amendment

Subject to the provisions of Article IX, the Corporation may at any time by written notice to the Trustee amend the terms of this Agreement in any respect whatever; except that, without the consent of the Trustee, no amendment may increase the duties and obligations or change the compensation of the Trustee. Any amendment may be made retro-

actively which is ne sary or advisable in the judgment of the Corporation to bring this Agreement into conformity with governmental laws or regulations so as to qualify the Plan and Agreement for tax exemption and the contributions thereunder as deductible for tax purposes.

Article IX

Irrevocability

The trust hereby created shall be irrevocable, and, anything contained in this Agreement to the contrary notwithstanding, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to employes and pensioners under the Plan for any part of the Fund to revert to the Corporation or its subsidiaries or to be used for, or diverted to, purposes other than for the exclusive benefit of such employes and pensioners or for the payment of taxes and administration expenses. Any excess remaining after the satisfaction of all such liabilities shall revert to the Corporation and/or its participating subsidiaries, and shall be paid as directed by the Corporation.

In making any payment upon a direction of the Corporation as authorized herein, the Trustee may accept without investigation such direction as a certification that such payment complies with the provisions of this Article IX.

[fol. 3594]

Article X

Employes' Interests

The Corporation shall enforce this Agreement on behalf of employes and pensioners, to the extent of their rights hereunder and interests herein.

Article XI

Miscellaneous

1. Any corporation resulting from any merger or consolidation to which the Trustee may be a party or succeeding to the trust business of the Trustee or to which substantially all the trust assets of the Trustee may be transferred shall be the successor to the Trustee hereunder without any further act or formality with like effect as if such successor trustee had originally been named trustee herein; and in

any such event it shall not be necessary for the Trustee or any successor trustee to give notice thereof to any person, and any requirement, statutory or otherwise, that notice shall be given is hereby waived.

2. This Agreement shall be construed, administered and enforced according to the laws of the State of Illinois, and the Trustee shall be liable to account only in the courts of that State.

3. If any part of this Agreement shall be found to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof, but such part shall be fully separable and this Agreement shall be construed and enforced as if such invalid or unenforceable matter had never been inserted herein.

4. Necessary parties to any accounting, litigation or other proceeding shall include only the Trustee and the Corporation, and the settlement or judgment in any such case in [fol. 3595] the Corporation is duly served or cited shall be binding upon the employes and pensioners, and upon any person claiming under them or claiming to represent them or any of them.

5. This Agreement shall be binding upon the parties and upon their successors and assigns.

6. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which together shall constitute on and the same instrument.

In Witness Whereof, this instrument has been executed this 1st day of November, 1950, by GENERAL MOTORS CORPORATION and by THE FIRST NATIONAL BANK OF CHICAGO, and their respective corporate seals affixed and attested, by officers thereunto duly authorized.

General Motors Corporation, By Albert Bradley, Executive Vice President (Chairman of the Financial Policy Committee) (SEAL.)

Attest:

E. B. Wallace, Assistant Secretary.

The First National Bank of Chicago, By C. B. Jennett, Vice President. (SEAL.)

Attest:

R. S. Swaim, Trust Officer.

[fol. 3596] STATE OF NEW YORK,
County of New York, ss.:

On this first day of November, 1950, before me, a notary public in and for said County, personally appeared ALBERT BRADLEY, who, being by me duly sworn, did depose and say that he resides at Greenwich, Connecticut, that he is an Executive Vice President of General Motors Corporation, one of the Corporations described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said Corporation, and that he signed his name thereto by like authority.

Charles D. Kuhnen, Notary Public. (SEAL.)

Charles D. Kuhnen, Notary Public, State of New York #31-2215750. Qual. in N.Y.Co. Cert. Filed with Bx., Kings, Queens, Richmond, Nassau, Westchester Co. Clks. and N.Y., Bx., Kings, Queens Co. Registers. Term Expires March 30, 1951.

STATE OF ILLINOIS,
County of Cook, ss.:

On this 1st day of November, 1950, before me, a notary public in and for said County, personally appeared C. B. JENNETT who, being by me duly sworn, did depose and say that he resides at Winnetka, Illinois, that he is a Vice President of THE FIRST NATIONAL BANK OF CHICAGO, one of the Corporations described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said Corporation, and that he signed his name thereto by like authority.

K. Seifert, Notary Public. (SEAL.)

Notary Public, My Commission Expires Oct. 24, 1954.

[fol. 3597] GENERAL MOTORS TRIAL EXHIBIT NO. GM-3

General Motors Non-Contributory Pension Funds
Composition of Investments Held at December 31, 1958

Classification of Investments Held	Book Value $	% of Total %
Long Term U. S. Governments	6,309,000	0 8
Other Fixed Interest Securities	391,581,000	50 4
Total Fixed Interest Securities	397,890,000	51 2
Preferred Stocks	38,001,000	4 9
Bank Stocks	27,773,000	3 6
Insurance Stocks	26,441,000	3 4
Total Preferred, Bank and Insurance Stocks	92,215,000	11 9
Other Common Stocks	276,166,000	35 6
Cash & Cash Equivalents	10,376,000	1 3
Total Funds	776,647,000	100 0

Memo
General Motors Common Stock
Total Book Value—$5,330,000
Percent of Total Funds—%0 68

[fol. 3598] GENERAL MOTORS TRIAL EXHIBIT NO. GM-4

Extract from Minutes—November 6, 1950

Financial Policy Committee

"Within the general pattern governing the maximum amount to be invested in a single industry or a single company, there is no objection to making investments in securities of companies which compete with General Motors in the automotive, engine, accessory, or household fields, etc. These limitations apply to purchases of General Motors securities, and the trustees should be neither urged to purchase nor discouraged from purchasing, securities of General Motors."

[fol. 3599] General Motors Trial Exhibit No. GM-5

'Trustees' Purchases of General Motors Common Stock Under General Motors Non-Contributory Pension Trusts

Calendar Year	No. of Shares	Cost
1950 (2 mos.)	4,800	$ 244,330
1951	9,900	498,693
1952	7,700	432,917
1953	5,400	318,200
1954	8,200	614,584
1955	16,855*	1,338,872
1956	11,600	518,555
1957	10,900	424,770
1958	23,600	938,879
Total	98,955	5,329,800

* Includes 11,355 shares $5 par value and 5,500 shares $1 2/3 par value.

[fol. 3600] General Motors Trial Exhibit No. GM-6

General Motors Common Stock Purchased by General Motors Corporation on New York Stock Exchange as Compared to Total General Motors Shares Traded

Year	General Motors Shares Purchased on New York Stock Exchange by General Motors	Total General Motors Shares Traded on New York Stock Exchange*	General Motors Purchases as Percentage of Total General Motors Shares Trade on New York Stock Exchange
1938	—	6,000,800	—
1939	—	4,655,200	—
1940	—	2,660,300	—
1941	86,500	2,330,500	3.7
1942	62,200	1,558,600	4.0
1943	147,400	1,547,200	9.5
1944	67,500	1,379,300	4.9
1945	82,500	1,522,000	5.4
1946	1,000	2,514,500	—
1947	98,600	1,894,300	5.2
1948	124,200	1,926,800	6.4
1949	176,800	1,895,500	9.3
1950	430,200	5,661,700	7.6
1951	456,500	3,609,600	12.6
1952	545,000	2,428,400	22.4
1953	536,200	2,451,100	21.9
1954	521,800	3,267,800	16.0
1955	535,300	7,114,100	7.5
1956	988,600	7,399,800	13.4
1957	1,018,100	6,920,400	14.7
1958	650,600	7,558,400	8.6
Total	6,529,000	76,294,300	8.6
Average	310,905	3,633,062	8.6

* Source: Bank and Quotation Record.

[fol. 3601] GENERAL MOTORS TRIAL EXHIBIT NO. GM-7

Purchases of General Motors Common Stock
by General Motors Corporation

Year	Par Value $	Purchases of General Motors Shares* Dollar Cost	Shares
1938	10	—	—
1939	10	—	—
1940	10	—	—
1941	10	3,311,816	86,500
1942	10	2,755,058	72,200
1943	10	10,171,224	207,759
1944	10	4,793,010	78,431
1945	10	5,764,162	82,500
1946	10	75,012	1,000
1947	10	5,774,896	98,600
1948	10	7,357,224	124,200
1949	10	10,930,631	176,800
1950	10	17,888,752	207,000
1950	5	10,914,618	223,200
1951	5	24,164,273	476,400
1952	5	31,652,747	549,000
1953	5	33,184,818	541,300
1954	5	39,697,343	522,200
1955	5	40,572,995	357,700
1955	1⅔	8,897,332	182,400
1956	1⅔	46,514,493	1,018,600
1957	1⅔	41,798,659	1,018,100
1958	1⅔	27,509,867	650,600
Total		373,728,930	6,674,490

* Excluding fractional shares acquired in connection with settlement with employes under the Bonus Plan or the Savings-Stock Purchase Program.

[fol. 3602] General Motors Trial Exhibit No. GM-8

General Motors Corporation
Bonus Awards Showing Division Between Stock and Cash, 1938–1957

Year	Total Bonus Award ($000's Omitted) $	Award Value of Stock $	Cash $	Stock % of Total %
1938	3,412	3,192	220	93.6
1939	11,488	11,299	189	98.4
1940	11,321	11,066	255	97.7
1941	9,842	9,662	180	98.2
1942	7,618	7,439	179	97.7
1943	7,250	4,212	3,038	58.1
1944	9,089	5,298	3,791	58.3
1945	10,656	5,223	5,433	49.0
1946	—	—	—	No award
1947	27,617	5,887	21,730	21.3
1948	40,974	8,407	32,567	20.5
1949	49,876	10,147	39,729	20.3
1950	67,557	28,398	39,159	42.0
1951	52,705	24,746	27,959	47.0
1952	58,959	30,448	28,511	51.6
1953	62,998	34,181	28,817	54.3
1954	74,990	39,994	34,996	53.3
1955	94,981	49,721	45,260	52.3
1956	85,895	46,776	39,119	54.5
1957	72,656	37,155*	35,501	51.1

*Excludes 123,287 shares with a value of $5,067,096 representing Contingent Credits conditionally credited under the Stock Option Plan.

[fol. 3603] General Motors Trial Exhibit No. GM-9

As of July, 1958

Estimated Tax Impact of Government Plan on Taxable Accounts in Trust Department of the First National Bank of Chicago which Hold du Pont Stock

Number of Accounts	Number of shares held	Average effective tax rate	Value of Distribution	Estimated Tax
859	104,260	51.7%	$5,611,000	$2,901,000

Value of distribution—104,260 x 1.38 x $39.00 (rounded to nearest $1,000).
Estimated tax—$5,611,000 x 51.7% (rounded to nearest $1,000).

[fol. 3604] General Motors Trial Exhibit No. GM-10

As of July, 1958

Effect of Government Plan on Trust and Fiduciary Accounts of the First National Bank of Chicago

	Number of shares	Present FMV ($46)	Estimated FMV ($39)	Loss
General Motors stock held	853,650	$39,267,900	$33,292,350	$ 5,975,550
General Motors stock to be distributed	184,216	8,473,936	7,184,424	1,289,512
Total	1,037,866	$47,741,836	$40,476,774	$ 7,265,062
Tax impact, per GM Exhibit 9				2,901,000
Total loss to trust and fiduciary accounts of First National Bank				$10,166,062

[fol. 3605] General Motors Trial Exhibit No. GM-11

Fifteen Largest Common Stockholdings
America Fore Loyalty Group

Rank		December 31, 1958 Shares	Market Value $
1	International Business Machines Corp.	123,183	69,737,761
2	Standard Oil Co. of New Jersey	778,682	44,871,549
3	American Telephone & Telegraph Co.	125,000	28,205,000
4	E. I. du Pont de Nemours & Co.	123,300	26,355,375
5	Texas Company	288,800	24,764,600
6	Gulf Oil Corporation	173,716	21,888,216
7	Union Carbide Corporation	172,000	21,693,500
8	General Electric Co.	274,800	21,537,450
9	Standard Oil Co. of California	317,102	18,946,844
10	First National City Bank of New York	222,250	17,307,150
11	Amerada Corporation	147,100	15,169,687
12	United States Gypsum Co.	135,000	13,230,000
13	Shell Oil Co.	154,610	13,185,617
14	The Hanover Bank	256,500	12,865,375
15	General Motors Corporation	249,500	12,350,250

[fol. 3606] General Motors Trial Exhibit No. GM-12

Continental Illinois National Bank and Trust Company of Chicago

Purchases and Sales of du Pont Common Stock
1956—February 19, 1959

	Purchases	Sales
1956	3,406 shares	577 shares
January 1, 1957—June 3, 1957	601	360
Total	4,007 shares	937 shares
June 4, 1957—December 31, 1957	1,090 shares	1,500 shares
1958 to February 19, 1959	433	16,738
Total	1,523 shares	18,238 shares

[fol. 3607] GENERAL MOTORS TRIAL EXHIBIT NO. GM-13

Estimated tax Impact of Government Plan on Taxable Accounts in Trust Department of the Continental Illinois National Bank and Trust Company of Chicago Which hold du Pont Stock

Number of taxable accounts (As of Jan. 1959)	Number of shares held in taxable accounts (As of Jan. 1959)	Value of Distribution	Estimated Tax Rate	Estimated Tax
539	87,530	$4,711,000	50%	$2,356,000
539	87,530	4,711,000	55%	2,591,000
539	87,530	4,711,000	60%	2,827,000

Value of distribution—87,530 x 1.38 x $39.00 (rounded to nearest $1,000)
Estimated tax—$4,711,000 x rate indicated (rounded to nearest $1,000)

K 2

[fol. 3608] GENERAL MOTORS TRIAL EXHIBIT NO. GM-14

Effect of Government Plan on Trust and Fiduciary Accounts of the Continental Illinois National Bank and Trust Company of Chicago at Various Assumed Levels of Market Decline of General Motors Stock

Total of GM Stock Now Owned (845,323 Shares) and GM Stock to be Received on Distribution (146,080 Shares)	Present FMV ($46)	Assumed Decline	Market Value After Decline	Loss
991,403	$45,604,538	5% ($43.70)	$43,324,311	$2,280,22
991,403	45,604,538	10% ($41.40)	41,044,084	4,560,454
991,403	45,604,538	15% ($39.10)	38,763,857	6,840,691
991,403	45,604,538	20% ($36.80)	36,483,630	9,120,908
991,403	45,604,538	25% ($34.50)	34,203,403	11,401,135
991,403	45,604,538	30% ($32.20)	31,923,176	13,681,362

K 3

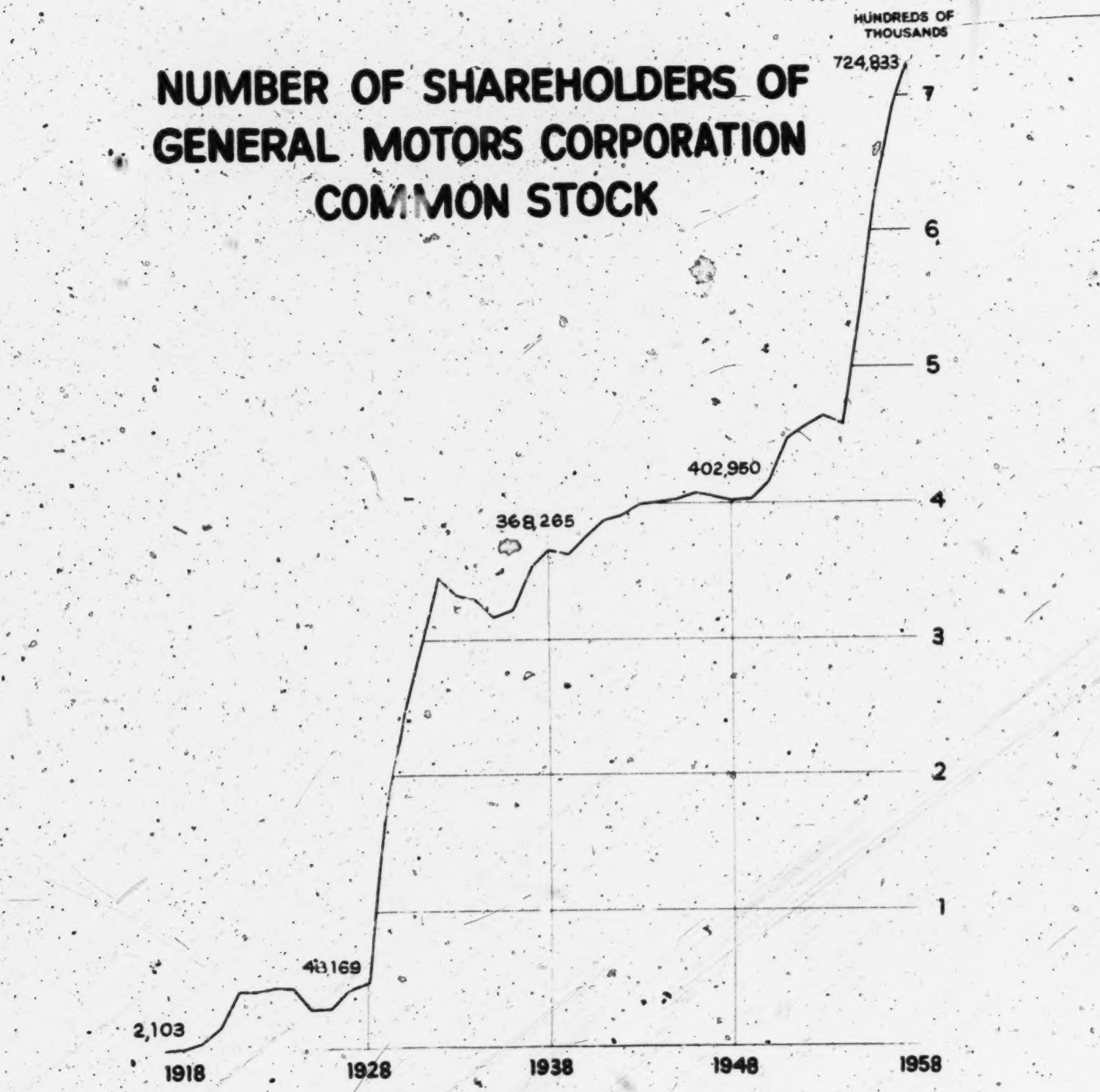
[fol. 3609] GENERAL MOTORS TRIAL EXHIBIT NO. GM-15

General Motors Corporation
Number of Shareholders of G.M. Common Stock

1917	894
1918	2,103
1919	6,245
1920	17,025
1921	44,640
1922	44,049
1923	46,567
1924	45,217
1925	29,792
1926	30,210
1927	43,116
1928	48,169
1929	176,693
1930	247,885
1931	295,961
1932	348,247
1933	333,632
1934	330,823
1935	317,500
1936	322,155
1937	355,110
1938	368,265
1939	364,675
1940	376,565
1941	389,520
1942	392,010
1943	400,400
1944	401,999
1945	403,691
1946	408,408
1947	405,826
1948	402,950
1949	403,352
1950	415,406
1951	448,845
1952	457,967
1953	465,215
1954	459,068
1955	537,751
1956	629,235
1957	691,022
1958	724,833

Note: the number of shareholders reported above is based on the fourth quarter dividend record date for the years 1917–1946 and on the actual year-end count for the years 1947–1958.

Treasurer's Office—Detroit, February 3, 1959.


NUMBER OF SHAREHOLDERS OF GENERAL MOTORS CORPORATION COMMON STOCK
HUNDREDS OF THOUSANDS
724,833
402,950
368,265
43,169
2,103
7
6
5
4
3
2
1
1918
1928
1938
1948
1958

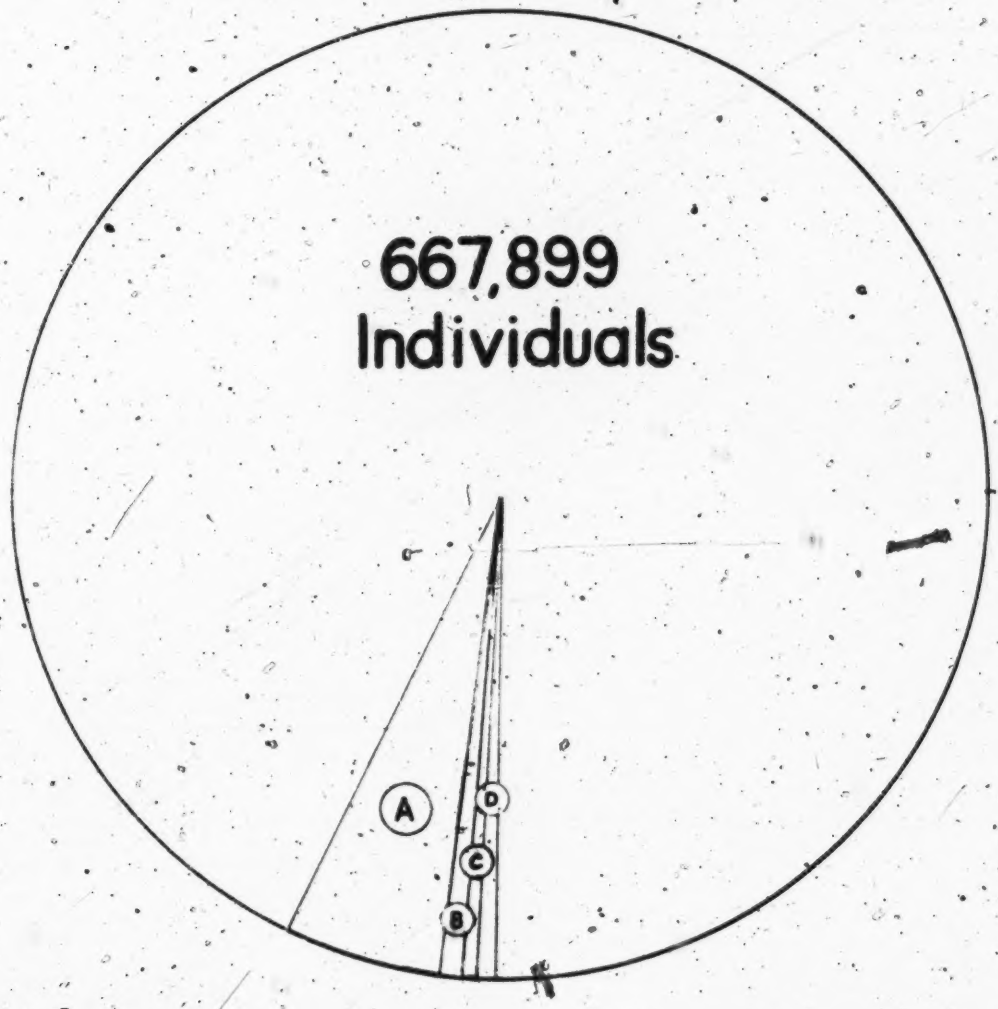
[fol. 3611] GENERAL MOTORS TRIAL EXHIBIT NO. GM-17

Analysis of General Motors Common Stockholders by Type of Stockholder as of August 14, 1958

Men	226,565
Women	302,137
Joint Tenants	139,197
Estates	7,016
Trusts	22,982
Bank & Bank Nominees	1,337
Brokers	501
Corporations & Partnerships	3,835
Insurance Companies	438
Educational Institutions & Groups	592
Libraries, Museums & Cultural Groups	190
Fraternal Organizations & Clubs	439
Churches & Religious Organizations	1,139
Hospital, Medical & Health Organizations	436
Charitable & Benevolent Organizations	1,135
Custodian for Minors	9,701
Employe Benefit Funds & Trusts	667
Unclassified	197
Total Holders	718,504

NUMBER OF STOCKHOLDERS OF GENERAL MOTORS CORPORATION COMMON STOCK BY TYPE OF STOCKHOLDER

(as shown on books of Corporation, August 14, 1958)



A. 39,699 Estates, Trustees, Custodians for Minors

B. 5,036 Insurance Companies, Educational Institutions and Groups; Libraries, Museums and Cultural Groups; Churches and Religious Organizations; Hospital, Medical and Health Organizations; Charitable and Benevolent Organizations; Fraternal Organizations Clubs, Employee Benefit Funds and Trusts.

C. 1838 Banks, Bank Nominees and Brokers

D. 4,032 Corporations, Partnerships and Unclassified.

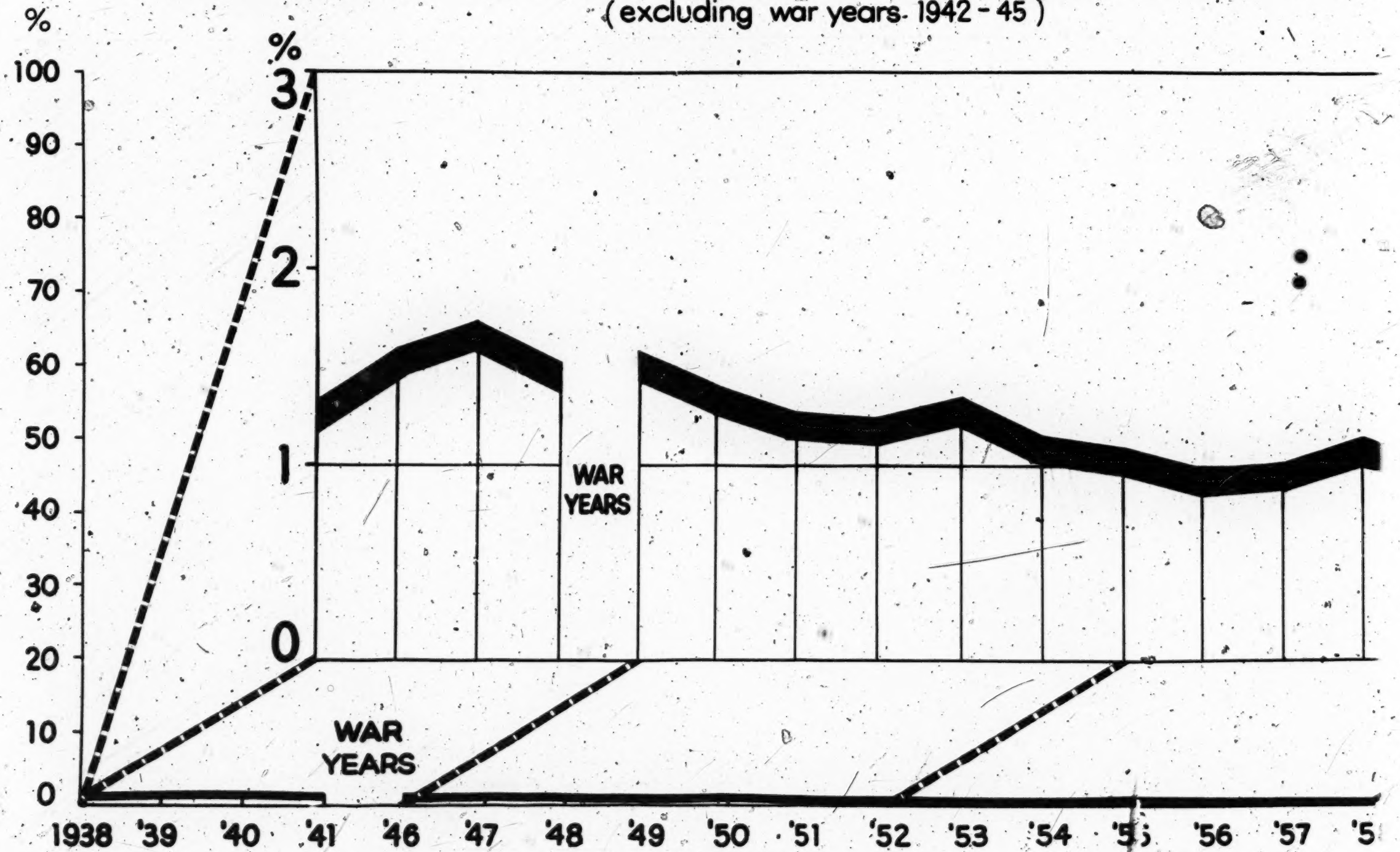
[fol. 3614] GENERAL MOTORS TRIAL EXHIBIT No. GM-20

General Motors Corporation Purchases from du Pont as Compared to Total General Motors Purchases, Years 1938–1958
(Excluding War Years 1942–1945)

	Purchases From du Pont	Total Payments To Suppliers For Materials, Services, Etc.	Percent du Pont Purchases To Total Purchases
	$	$	%
1938	7,887,296	597,480,135	1.32
1939	11,393,618	716,131,205	1.59
1940	16,135,383	936,508,750	1.72
1941	18,261,449	1,213,604,876	1.50
1946	15,082,168	959,682,186	1.57
1947	26,695,306	1,899,914,633	1.41
1948	30,083,262	2,367,548,071	1.27
1949	35,558,868	2,877,817,569	1.24
1950	47,823,548	3,542,043,134	1.35
1951	43,056,379	3,754,194,452	1.15
1952	40,072,842	3,687,529,511	1.09
1953	52,472,942	5,326,426,606	.99
1954	51,263,027	5,061,410,678	1.01
1955	69,594,993	6,073,614,028	1.15
1956	54,889,839	5,409,675,169	1.01
1957	52,803,777	5,558,000,000	.95
1958	39,529,000	4,922,450,192	.80

GENERAL MOTORS CORPORATION PURCHASES FROM DUPO
COMPARED TO TOTAL GENERAL MOTORS PURCHASES

(excluding war years- 1942 - 45)



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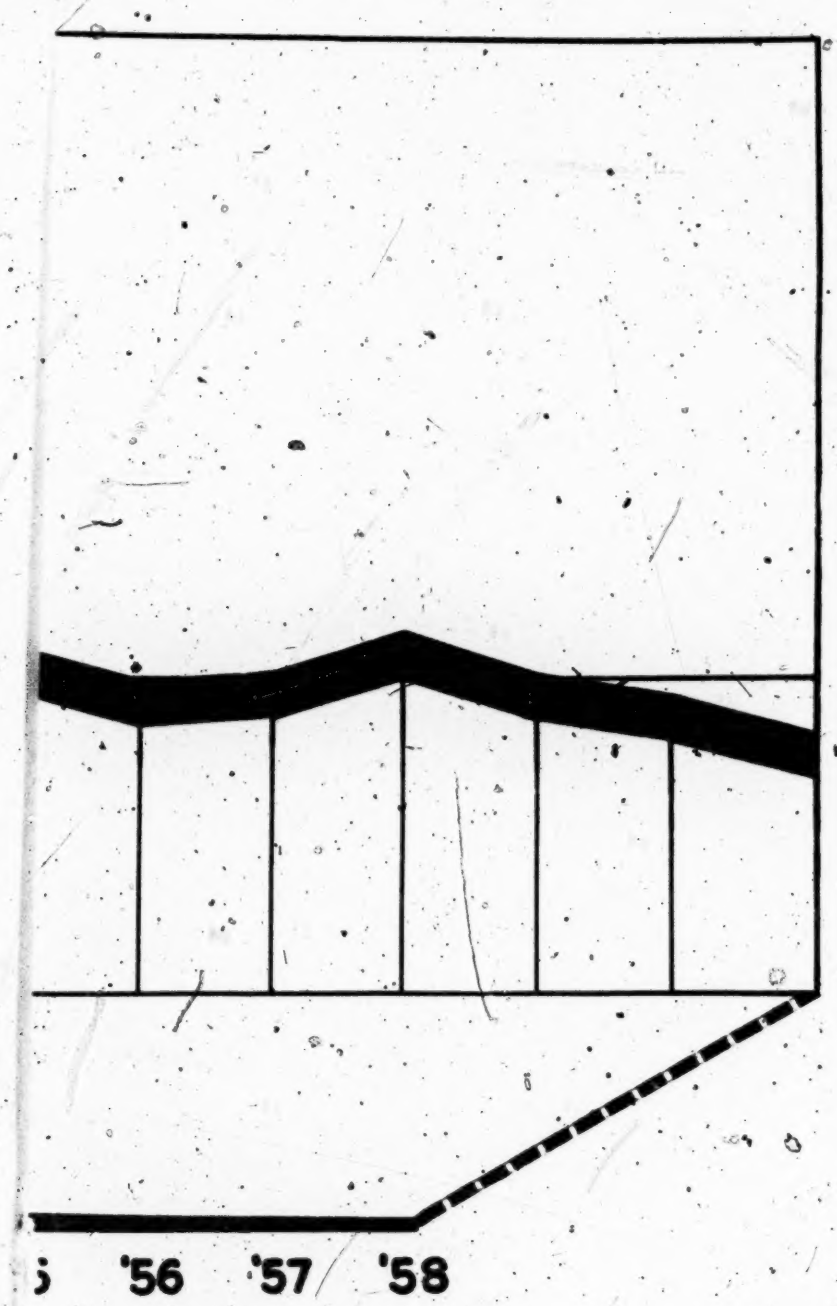
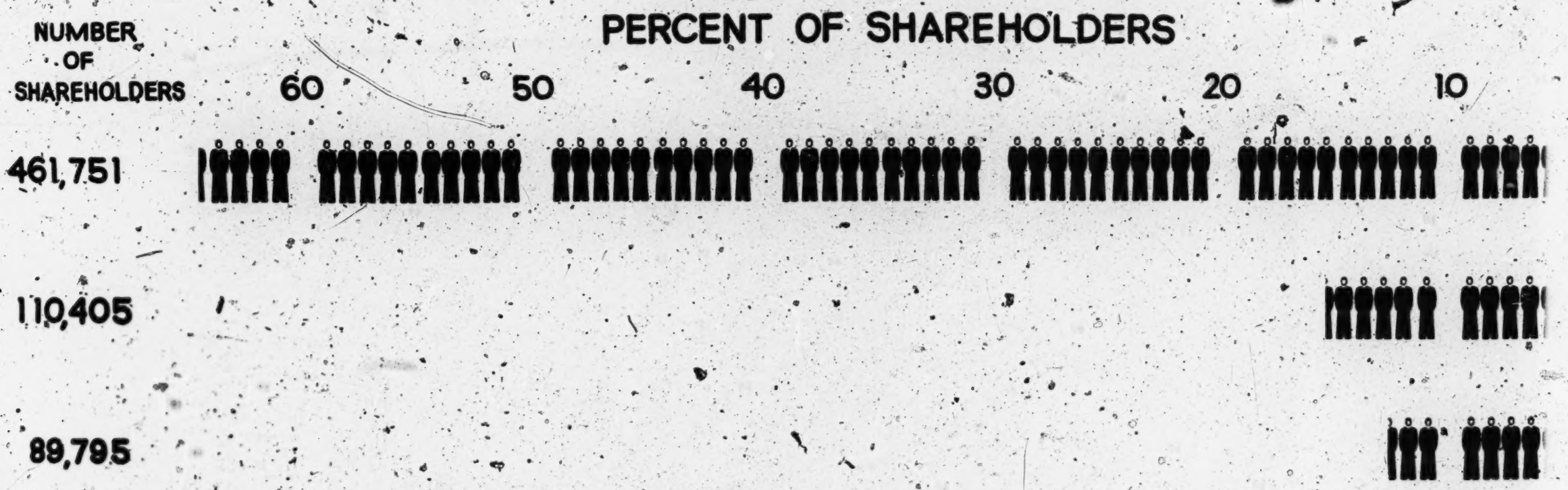
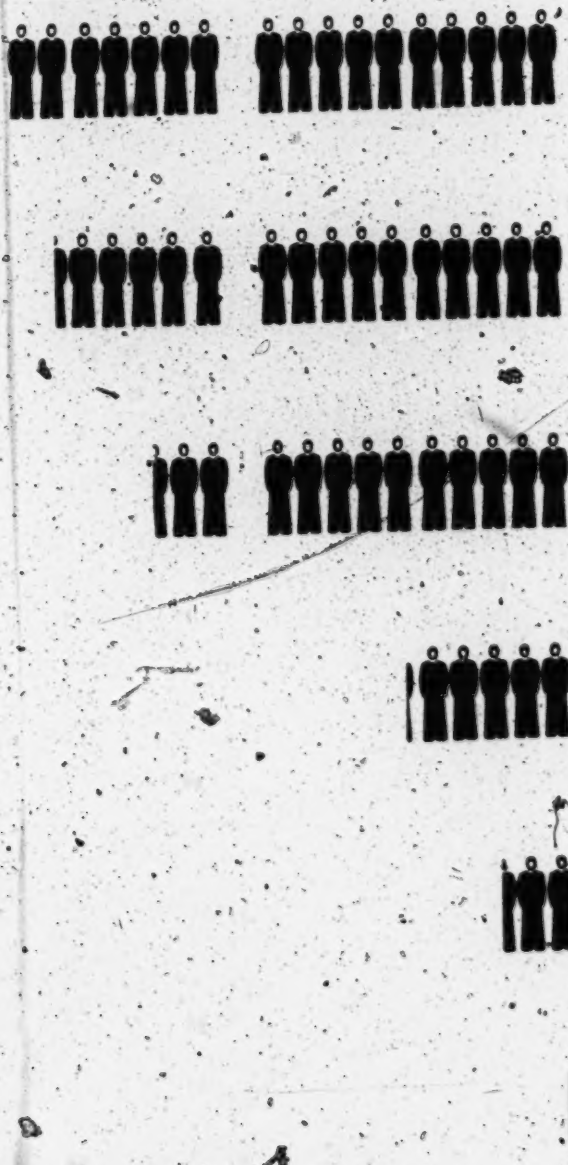
ROM DUPONT AS PURCHASES



NUMBER OF SHAREHOLDERS OF GENERAL MOTORS COR
COMMON STOCK BY NUMBER OF SHARES HI

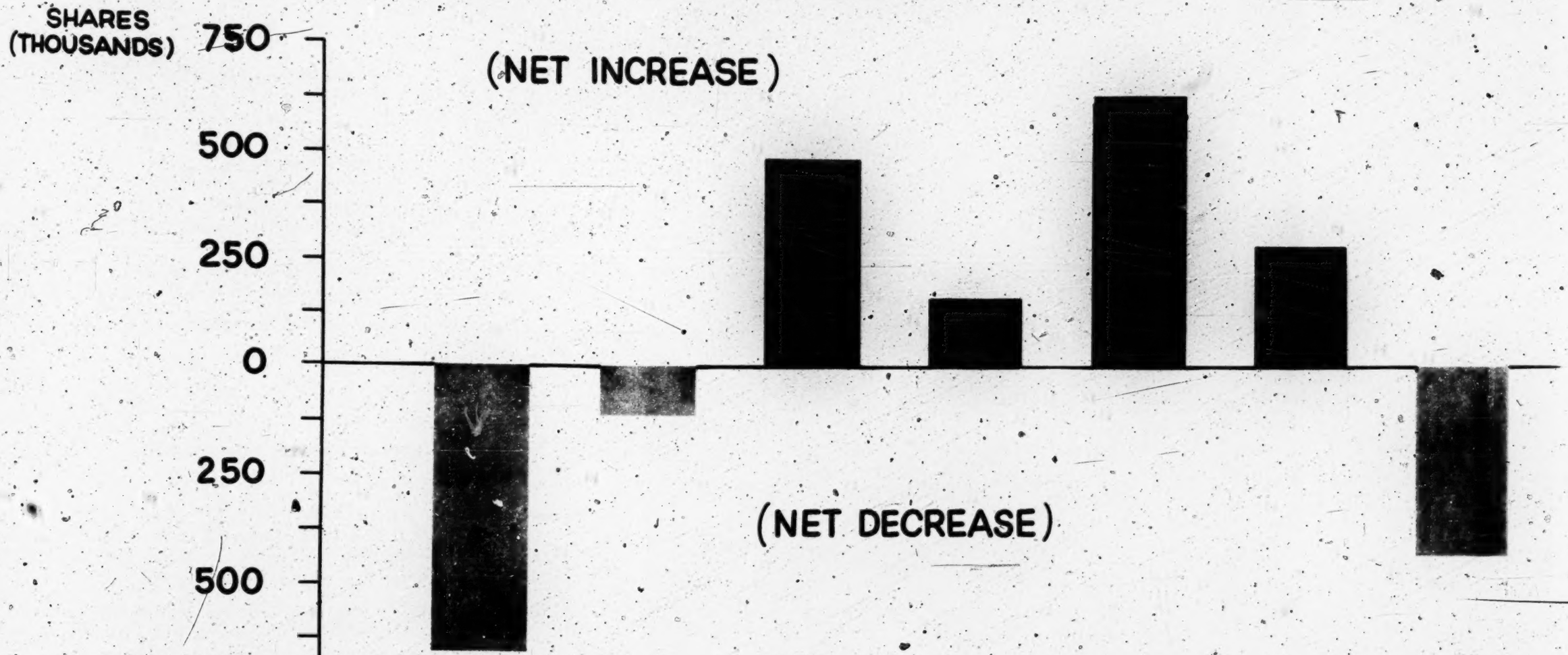


ORS CORPORATION
HARES HELD



NET CHANGES IN INVESTMENT COMPANY HOLDINGS
GENERAL MOTORS CORPORATION COMMON STOCK ADJUSTED FOR S

as shown by Vickers Favorite Fifty Survey of holdings of investment companie



	1950	1951	1952	1953	1954	1955	1956
Number of Companies in Survey	158	158	153	175	175	200	216
Number of Companies in Survey Holding G. M. Stock	62	56	59	67	69	88	79

[fol. 3616] GENERAL MOTORS TRIAL EXHIBIT NO. GM-22

Breakdown of General Motors 1958 Sales Dollar

	Millions	Percentage
General Motors Received in 1958		
From sale of its products and other income	$9,614	100%
These Receipts Went		
To all suppliers other than du Pont for materials, services, etc.	4,882	50¾
To du Pont	40	½
To employes for payrolls, employe benefit plans, etc.	2,878	30
For Federal, state and local taxes	760	8
To provide for depreciation and obsolescence of plants and equipment	420	4¼
To General Motors shareholders	572	6
For use in the business to provide facilities and working capital	62	½

Source: 1958 General Motors Annual Report and General Motors Exhibit No. 00.

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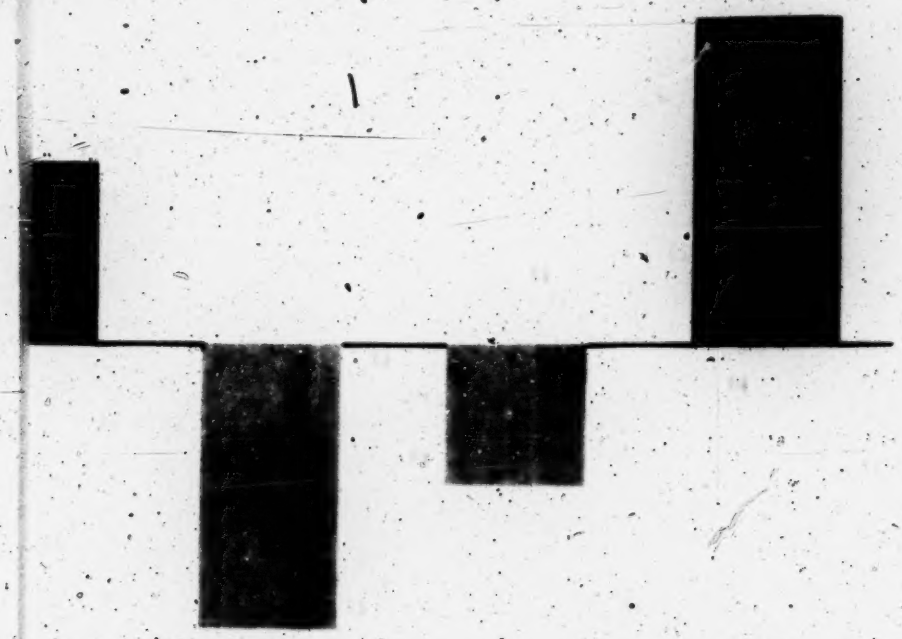
HOLDINGS OF
STED FOR STOCK SPLIT

tment companies



55	1956	1957	1958
on	216	225	293
38	79	80	90

PERCENT OF GENERAL MOTORS SALES DOLLAR GOING TO DUPONT 1958

TO SUPPLIERS OTHER THAN DUPONT
50.8¢

TO EMPLOYES
29.9¢

8.0¢
TAXES

4.4¢
WEAR & TEAR

6.0¢
TO SHAREHOLDERS

← 0.4¢
TO DUPONT

[fol. 3618] GENERAL MOTORS TRIAL EXHIBIT NO. GM-24

Standard & Poor's Weekly Indexes of Stock Prices

Percentage Increase between the Final Week of 1946 and the Final Week of December 1958*

Industry Group	Percentage Change
Textile Weavers	24.79%
Shoes	28.64
Cigarette Manufacturers	56.79
Agricultural Machinery	85.63
Dairy Products	101.53
Containers (Metal & Glass)	112.18
Corn Refiners	133.54
Drugs	167.43
Packaged Foods	181.60
Chemicals (excluding du Pont)	198.46
Industrial Machinery	282.47
425 Industrials	297.63
Cement	321.69
Containers (Paper)	382.18
Oil	394.05
Electrical Equipment	452.62
Aluminum	458.77
General Motors	465.71
Steel	478.69
Paper	490.70
Tires & Rubber	669.57
Office Equipment	1173.52

*December 30, 1958.

[fol. 3619] General Motors Trial Exhibit No. GM-25

Net Purchases (Net Sales) of General Motors Common Stock by Institutions*
January, 1953–October, 1955

	Number of $5 Par Value Shares Bought or (Sold)	Value of Shares Bought or (Sold)
		$
1953	93,610	5,678,792
1954	311,080	23,312,284
1955 (January–June)	348,765	33,295,919
1955 (July–October)	(137,538)	(18,150,261)

*210 institutions included in Staff Report to the Committee on Banking and Currency, United States Senate, called "Institutional Investors & the Stock Market," 1953–1955, (pp. 147 and 225). These institutions consisted of:

20 Open-End Investment Companies
5 Closed-End Investment Companies
30 Corporate Pension Funds
25 Life Insurance Companies
60 Casualty and Surety Insurance Companies
40 Fire Insurance Companies
30 Bank-Administered Common Trust Funds

[fol. 3620] General Motors Trial Exhibit No. GM-26

Institutional Holdings of General Motors Corporation Common Stock*

Date	Institutional Holdings (No. of Shares)**
August 14, 1952	4,989,000
August 10, 1953	5,669,000
August 12, 1954	6,002,000
August 8, 1955	6,088,000
August 16, 1956	6,242,000
August 15, 1957	6,971,000
August 14, 1958	6,884,000

*As shown from the Stock Records of the Company for the dates listed. The institutional groups included in the figures are the following: Libraries, Museums and Cultural groups; Fraternal Organizations and Clubs; Insurance Companies; Hospitals, Medical and Health Organizations; Churches and Religious Organizations; Educational Institutions, Groups and Organizations; Charitable and Benevolent Institutions and Organizations. Does not include investment trusts, holdings of employe benefit funds, or stock held in nominee names.

**Shown in terms of present $1⅔ par value stock.

[fol. 3621] GENERAL MOTORS TRIAL EXHIBIT No. GM-27

General Motors Stock Held by Investment Companies (a)

Dec. 31	No. of Investment Companies Covered	No. of Companies Holding GM	% of Companies Holding GM	GM Rank (c) (In Value)	General Motors Stock Number of Shares Held Actual (000)	Adjusted (b) (000)	% of Outstanding GM	Net Adjusted(b) Change-Increase (Decrease) (000)
1949	158	66	42%	6	299	1,794	0.68%	
1950	158	62	39	20	380	1,140	0.44	(654)
1951	158	56	35	31	344	1,032	0.39	(108)
1952	153	59	39	10	504	1,512	0.58	480
1953	175	67	38	13	561	1,683	0.64	171
1954	175	69	39	6	770	2,310	0.87	627
1955	200	88	44	2	2,590	2,590	0.94	280
1956	216	79	37	8	2,150	2,150	0.78	(440)
1957	225	80	36	16	1,934	1,934	0.69	(216)
1958	293	90	31	13	2,436	2,436	0.86	502

(a) Date compiled by Vickers Associates Inc.
(b) Adjusted for 2-for-1 stock split in 1950 and 3-for-1 stock split in 1955.
(c) Rank of General Motors Stock among Favorite Fifty Stocks of investment companies covered.

[fol. 3623] GENERAL MOTORS TRIAL EXHIBIT NO. GM-29

RAndolph 6-1200

Commonwealth Edison Company
72 West Adams Street, Chicago 90, Illinois

February 11, 1955.

Mr. Paul Ferrier,
Trust Department,
The First National Bank of Chicago,
38 South Dearborn Street,
Chicago 90, Illinois.

Dear Mr. Ferrier:

In accordance with your telephoned request through Mr. E. M. Bullard of Messrs. Isham, Lincoln & Beale, I send you herewith a copy of our memorandum dated February 10, 1955, with its several enclosures, which was prepared chiefly for the use of trust companies and others who have advised us that they hold Commonwealth Edison Company Common Stock in the capacity of trustee, and are seeking information from us in order to determine whether Edison's distributions of Common Stock of Northern Illinois Gas Company to holders of Edison Common Stock should be treated as income or principal for trust accounting purposes.

Very truly yours, Fred M. Baxter, Secretary.

CC—Mr. E. M. Bullard
1954 Div. Income.
1955 Dist. Prin.

[fol. 3624] Commonwealth Edison Company

February 10, 1955.

Memorandum as to the nature of certain distributions of the common stock of Northern Illinois Gas Company (the Gas Company) made by Commonwealth Edison Company (Edison) to the holders of the common stock of Edison

This memorandum has been prepared chiefly for the use of trust companies and others who have advised Edison that they hold Edison common stock in the capacity of trus-

tee, and are seeking information from Edison in order to determine whether Edison's distributions of Gas Company stock should be treated as income or principal for trust accounting purposes.

There have been two distributions of Gas Company stock; one, under resolution adopted June 1, 1954, and the other under resolution adopted January 26, 1955. Each distribution will be discussed separately.

(1) With respect to the distribution made August 2, 1954 under the resolution of June 1, 1954 at the rate of on share of Gas Company stock for each 25 shares of common stock of Edison of record June 23, 1954:

(a) A copy of the resolution declaring this dividend distribution (as well as cash dividends payable August 1, 1954 on the preferred and common stocks of Edison) is enclosed herewith;

(b) This distribution was designated a dividend in kind, and resulted in a $6,564,540 charge to the Retained Earnings Account on the books of Edison in June, 1954, which charge equaled Edison's $10 carrying value per share of the 656,454 shares of Gas Company common stock distributed;

(c) This distribution was taxable to Edison common stockholders for Federal income tax purposes in accordance with a ruling by the Office of the Commissioner of Internal Revenue dated April 21, 1954, a copy of which is enclosed;

[fol. 3625] (d) At the time the August 2, 1954 dividend in kind was declared, Edison's Board of Directors contemplated distributing the Gas Company common stock to Edison's common stockholders in annual instalments over a period of years. This dividend had an August 2, 1954 market value of $13,313,708. The total assets of Edison and subsidiaries consolidated (not including the Gas Company) on May 31, 1954 were approximately $1,170,000,000, and the consolidated net income for the year 1954 was approximately $44,800,000, or $2.70 per share on the 16,607,650 shares of Edison common stock outstanding December 31, 1954. Cash dividends on Edison common stock declared in 1954 totaled $1.80 per share. The August, 1954 dividend in kind equaled 40¢ per

Edison common share figured at Edison's $10 per share book value of the Gas Company stock distributed, and equaled 81.125¢ per share of Edison common stock figured at the $20.28125 per share market value of the Gas Company stock. On either basis of evaluating the dividend in kind, Edison's 1954 consolidated earnings per share exceeded the total dividends per share declared on Edison common stock in 1954.

(2) With respect to the distribution to be made on or about March 1, 1955 under the resolution of January 26, 1955, whereby Edison will distribute its entire 4,982,115-share holding as of that date of Gas Company common stock to the holders of Edison common stock of record February 2, 1955, at the rate of three shares of Gas Company stock for each 10 shares of Edison common stock:

(a) A copy of the resolution with respect to this distribution is enclosed herewith;

(b) This distribution was designated a dividend in kind and a division of corporate assets, and resulted in a $52,360,300 charge to the Retained Earnings Account on the books of Edison in January, 1955, which charge equaled Edison's carrying value of the 4,982,115 shares (remaining after surrender by Edison and cancellation by the Gas Company of 253,915 shares) to be distributed;

(c) The March 1, 1955 distribution of Gas Company stock will be non-taxable to Edison common stockholders for Federal income tax purposes in accordance with a ruling of the Office of the Commissioner of Internal Revenue dated January 20, 1955, a copy of which is enclosed.

[fol. 3626] (d) On the assumption that Gas Company common stock has a market value on March 1, 1955 of about $20 per share, this distribution will have an aggregate market value of approximately $99,640,000. This compares with total assets of Edison and subsidiaries consolidated (not including the Gas Company) on December 31, 1954 of approximately $1,190,000,000, and with the above-mentioned consolidated net income for the year 1954 of approximately $44,800,000. This distribution is designated in the resolution as "a dividend in kind and *a division of corporate assets.*" The underlined language does not appear in the resolution authorizing the August,

1954 distribution. The ruling by the Office of the Commissioner of Internal Revenue dated January 20, 1955 holds this distribution to qualify as one under Section 355(a)(1) of the Internal Revenue Code of 1954, one of the requirements of that Section being that ". . . the transaction was not used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both. . . ." By letter of December 8, 1954, a copy of which is attached, Edison's stockholders were advised that Edison would request a Federal income tax ruling as to the non-taxability of such a distribution and that "If the ruling is favorable, we expect to distribute all, or nearly all, of Edison's holdings of common stock in the Gas Company as soon as practicable thereafter—probably sometime in the first half of 1955. If, on the other hand, the ruling should be unfavorable, we expect to continue our original plan to make annual distributions of Gas Company common stock to holders of Edison common." In view of the fact that Edison's original plan for distribution of the Gas Company common stock was changed because of its receipt of the favorable January 20, 1955 tax ruling, and in view of the size of the second distribution in relation to Edison's assets and earnings, the Board of Directors of Edison considered the second distribution to be of a different nature than the first distribution and used the distinguishing words "a division of corporate assets" in authorizing the second distribution with the thought that for trust accounting and other purposes the second distribution might be properly treated as constituting a distribution of principal rather than income.

D. R. Bower, Treasurer.

[fol. 3627] Commonwealth Edison Company

Resolutions adopted by Board of Directors on June 1, 1954

Resolved: That there be and there hereby are declared:

(I) a dividend of 33¢ upon each share of $1.32 Convertible Preferred Stock of this Company, payable August 1, 1954 out of the earnings of the Company to stockholders of record on the Company's books at 8:00 A.M. (Chicago Time) June 23, 1954;

(II) a dividend of 35¢ upon each share of $1.40 Convertible Preferred Stock of this Company, payable August 1, 1954 out of the earnings of the Company to stockholders of record on the Company's books at 8:00 A.M. (Chicago Time) June 23, 1954;

(III) a dividend of 45¢ upon each share of Common Stock of this Company, payable August 1, 1954 out of the earnings of the Company to stockholders of record on the Company's books at 8:00 A.M. (Chicago Time) June 23, 1954;

(IV) a dividend in kind upon the shares of Common Stock of this Company, such dividend (A) to consist of shares of Common Stock of Northern Illinois Gas Company (the "Gas Company") owned by this Company, (B) to be at the rate of one share of Gas Company Common stock for each 25 shares of Common Stock of this Company outstanding and of record at 8:00 A.M. (Chicago Time) June 23, 1954, and (C) to be paid by the irrevocable delivery by this Company on August 2, 1954 to Continental Illinois National Bank and Trust Company of Chicago (the "Agent"), for the account of and as agent for holders of Common Stock of this Company of record on its books at the above specified time and date of record (June 23, 1954), of a certificate or certificates, issued in the name of the Agent or in the name [fol. 3628] or names of its nominee or nominees, for the total number of shares of Gas Company Common Stock comprising such dividend ("dividend shares"); *provided, however:*

(1) that fractions of dividend shares ("dividend share fractions") shall not be distributed to stockholders in connection with such dividend, but each stockholder who, but for this provision, would be entitled to a dividend share fraction shall be given the option, to be exercised through the Agent in the manner hereinafter provided, either to buy a fractional interest in a share of Gas Company Common Stock ("share fraction") sufficient (when combined with his dividend share fraction) to round out full share of Gas Company Common Stock or to sell his dividend share fraction, and each stockholder who shall be entitled to one or more full dividend shares (whether or not his dividend includes a dividend share fraction) shall be given the op-

tion, to be exercised through the Agent in the manner hereinafter provided, either to receive a certificate for, or to sell, all his full dividend shares or his full dividend share, if only one;

(2) that accordingly:

(a) each stockholder entitled to such dividend shall be given the opportunity to direct the Agent to do one of the following for his account:

(i) buy and bill him for a share fraction sufficient to round out a full share of Gas Company Common Stock, and upon his payment for the share fraction purchased, send him a certificate for the full share or shares of Gas Company Common Stock to which he is then entitled, or

(ii) send him a certificate for any full dividend share or shares to which he may be entitled, but sell any dividend share fraction and send him a check for the proceeds, or

[fol. 3629] (iii) sell any dividend share fraction, and use its best efforts to sell any full dividend share or shares to which he may be entitled, and send him a check for the proceeds;

(b) the Agent will carry out stockholders' purchases of share fractions by set-off to the extent possible, first, against stockholders' sales of dividend share fractions and second, against stockholders' sales of full dividend shares, and by purchasing, in the open market or otherwise as the Agent shall determine, such net number of full shares of Gas Company Common Stock as may be required to satisfy the excess, if any of stockholders' purchases of share fractions over stockholders' sales of dividend share fractions and full dividend shares;

(c) the Agent will carry out stockholders' sales, first, of dividend share fractions, and second, of full dividend shares, by set-off to the extent possible against stockholders' purchases of share fractions, and by using its best efforts to sell at competitive bidding, on or about August 2, 1954, through public or private sale as the Agent shall determine, such net number of full dividend shares as shall represent the excess, if any, of stock-

holders' sales of dividend share fractions and full dividend shares over stockholders' purchases of share fractions, but if for any reason such sale of all such number of full dividend shares shall not be so made, then and in that event the Agent will sell, as soon as practicable, in the open market or otherwise as the Agent shall determine, that net number of full dividend shares which shall represent the excess, if any, of stockholders' sales of dividend share fractions only over stockholders' purchases of share fractions;

[fol. 3630] (d) the average price (including any commission) per share paid by the Agent for the net number of full shares of Gas Company Common Stock purchased by it under subparagraph (b) or the average price (deducting any discount or commission) per share received by the Agent for the net number of full dividend shares sold by it under subparagraph (c), as the case may be, will be used by the Agent to determine the amounts to be billed stockholders for any share fractions purchased for them as well as to determine the proceeds to be paid stockholders for any dividend share fractions and any full dividend shares sold for them, respectively;

(e) as soon as practicable after the foregoing transactions and determinations shall have been completed, the Agent (i) will bill each stockholder for whom a share fraction was purchased and, upon receipt of payment therefor, will send him a certificate for the full share or shares of Gas Company Common Stock to which he is then entitled, or upon his failure to pay such bill within such reasonable time as the Agent shall determine, the Agent will be entitled to sell the share or one or more of the shares which otherwise would have been evidenced by such certificate and send such stockholder a certificate for the remaining full share or shares, if any, to which he is entitled, together with a check for any balance of net proceeds from the share or shares so sold after deducting the full amount of such unpaid bill and any costs incurred by the Agent on account of such stockholder's failure to pay, (ii) will send a check to each stockholder for whom a dividend share fraction, or a full dividend share or shares, or a combination thereof, was

or were sold, covering the proceeds to which he is entitled; and (iii) will send a certificate to each stockholder [fol. 3631] entitled thereto for his full dividend share or shares not sold for him; and

(f) this Company will bear its own expenses and pay for the Agent's services and costs as well as for all Federal transfer stamps required in connection with the dividend in kind declared by this resolution; and

(3) that the dividend in kind declared by this resolution shall in no event include any dividends in cash declared by the Gas Company payable to holders of its Common Stock of record on its books on a date prior to June 23, 1954, regardless of the date or dates upon which any such dividends of the Gas Company may be payable; and be it further

Resolved: That the officers be and they hereby are authorized and directed to do all such things as shall be necessary or expedient in their judgment to effect the payment of the dividend in kind declared by the preceding resolution, including, without limiting the generality of such authorization and direction, the fixing of the detailed terms of the agency under which Continental Illinois National Bank and Trust Company of Chicago is to act as the agent for the holders of this Company's Common Stock in connection with such dividend, the determination of the manner in which the options referred to in such resolution shall be extended to such stockholders, and of the manner in which such options by such stockholders may be or may be deemed to be exercised, and the preparation and mailing of all such notices and communications to stockholders as may be required or appropriate; and be it further

Resolved: That in connection with the payment of the dividend in kind declared by the second preceding resolution the retained earnings of this Company be charged with [fol. 3632] the amount of $10 for each share of the Gas Company Common Stock comprising such dividend, such amount representing this Company's per share investment in such stock.

I, Fred N. Baxter, Secretary of Commonwealth Edison Company, an Illinois corporation, having in my custody and possession the corporate records and seal of the Company,

do hereby certify that the foregoing is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company at a meeting of such Board duly convened and held, in accordance with the By-Laws of the Company, on June 1, 1954, at which meeting a quorum was present and voting throughout; and that such resolutions have not been amended or rescinded.

Witness my hand and the corporate seal of the Company this 11th day of February, 1955,

Fred N. Baxter, Secretary. (SEAL.)

[fol. 3633] U. S. Treasury Department
Washington 25
Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue and Refer to T:R:R, ARR

April 21, 1954.

Commonwealth Edison Company,
72 West Adams Street,
Chicago 90, Illinois,

Attention: Mr. Grant H. Wier

Gentlemen:

This is in reply to your letter of April 7, 1954, in which you request to be advised as to the effect, for Federal income tax purposes, of the proposed distribution of common stock of Northern Illinois Gas Company to the holders of your common stock. The relevant facts appear to be as set forth below.

The Commonwealth Edison Company (hereinafter referred to as "Edison") is a public utility company furnishing electric service in the northern part of Illinois, including the City of Chicago. Edison owns 100 percent of the preferred and common stocks of Northern Illinois Gas Company (hereinafter referred to as "Gas"). Gas is a public utility company furnishing gas and some heating service in the northern part of Illinois including the area contiguous to but not including the City of Chicago.

In June 1954, the Board of Directors of Edison proposes to authorize a distribution of common stock of Gas to be made in August 1954, to the Edison common stockholders

of record on a date in the latter part of June. The rate of the distribution will be determined at the time of the authorization in June. No fractional shares will be distributed as such. The total number of shares of Gas to be distributed will be issued and delivered on the distribution in August to a Chicago bank as agent for the holders of common stock of Edison.

After the record date in June, reply cards will be furnished the holders of common stock of Edison so that they can instruct the agent bank to do one of the following:

"(a) buy a share fraction sufficient to round out a full share or shares of Gas common stock, and send him his certificate upon his payment for the share fraction purchased,

[fol. 3634] "(b) send him a certificate for any full distribution share or shares to which he may be entitled, but sell any distribution share fratcion and send him the proceeds, or

"(c) sell any distribution share fraction, and any full distribution share or shares to which he may be entitled, and send him the proceeds."

Failure to return the reply card by the taxpayer will signify that the agent bank is authorized to sell the distribution shares of Gas and remit the proceeds to the taxpayer.

Your letter reads, in part, as follows:

"The agent bank will buy Gas common share fractions or sell distribution share fractions and use its best efforts to sell full distribution shares early in August, checks and certificates to be sent to Edison common stockholders later that month. The agent bank will offset purchases of fractions to the extent possible against sales of distribution shares and fractions, selling through competitive bidding in August any net remaining distribution shares (or purchasing at market prices any Gas common stock for rounding out purposes to any unlikely extent not covered by offset against sales of distribution shares and fractions). The average price received (deducting underwriting discount or commission), or the average cost paid (including any commission) per share, by the agent bank for the net

number of shares of Gas common stock so sold or purchased will be used to determine the amounts to be billed for Gas common share fractions purchased for Edison common stockholders to round out a full share or shares as well as to determine the proceeds of distribution shares and any fractions sold for Edison common stockholders. Edison proposes to stand its own expenses and pay for the bank agent's services and all Federal transfer stamps required in connection with the distribution so as to keep the mechanics of the distribution understandable and convenient to its stockholders."

The directors of Gas have authorized, if market conditions are satisfactory, the issuance and public offering, about May 1, 1954, of 400,000 shares of its common stock. The purpose of this offering is to provide construction funds to Gas and to establish a market for its common stock.

[fol. 3635] Based solely on the information submitted, it is held as follows:

(1) No taxable income will be realized by Edison as a result of the proposed pro rata distribution in August 1954 of shares of common stock of Gas to the holders of common stock of Edison.

(2) The distribution in common stock of Gas to the holders of common stock of Edison will constitute a dividend to the holders thereof in accordance with the provisions of Section 115(a) of the Internal Revenue Code.

(3) The distribution in common stock of Gas will unqualifiedly have been made subject to the demands of the holders of common stock of Edison on the date of delivery of certificates for all the distribution shares to the bank as agent for the holders of common stock of Edison. Accordingly, under the provisions of Section 115(j) of the Code, the amount of the dividend will be the value of the stock of Gas on that date. In valuing the stock the holders of such stock may take the average of the bid and asked quotations in the over-the-counter market for that date as reflected in the Wall Street Journal.

750 [redacted]

	1950	1951	1952	1953	1954	1955	1956	55	1956	1957	1958
Number of Companies in Survey	158	158	153	175	175	200	216	00	216	225	293
Number of Companies in Survey Holding G.M. Stock	62	56	59	67	69	88	79	38	79	80	90
Percent of Companies Survey Holding G.M. Stock	39%	35%	39%	38%	39%	44%	37%	4%	37%	36%	31%

(4) The basis to the common stockholders of Edison of the common stock of Gas distributed will be the value on the date of distribution, determined as described above, of such shares, including fractional shares, plus any cost of fractional shares purchased by the bank agent.

(5) Upon the sale of the distribution shares of Gas common stock acquired as described above, or any fractional share, or both, by the bank agent on behalf of holders of common stock of Edison, the difference between the basis of such shares or fractional shares as determined above and the proceeds received on the sale will constitute a short-term capital gain or loss to the shareholders.

[fol. 3636] The conclusion reached in this letter is based on the Internal Revenue Code now in effect. The Congress is considering a bill which, if enacted, would make substantial changes in the Code, many of which may be retroactive. If any such changes are made in the provisions of law affecting this case, the tax consequences of the proposed transaction will necessarily be determined under the new law.

Very truly yours, Frances B. Rapp, Acting Chief, Reorganization and Dividend Branch.

[fol. 3637] Commonwealth Edison Company

Resolution adopted by Board of Directors on January 26, 1955

Resolved:

(a) that this company ("Edison") distribute, as a dividend in kind and a division of corporate assets, its entire holding of 4,982,115 shares of Common Stock of Northern Illinois Gas Company (the "Gas Company") ratably to the holders of the 16,607,050 outstanding shares of Edison Common Stock, that is, at the rate of three shares of Gas Company Common Stock for each ten shares of Edison Common Stock, such distribution to be made on or about March 1, 1955, to holders of Edison Common Stock of record at the close of business, 5:00 P.M. Central Standard Time February 2, 1955; provided, however, that fractions

of a share of Gas Company Common Stock ("share fractions") shall not be distributed but that in lieu thereof arrangements shall be made, as hereinafter provided, whereby, for the account and at the election of any holder of Edison Common Stock otherwise entitled to a share fraction, such share fraction may be sold or an additional share fraction, sufficient for the purpose of rounding out to a full share of Gas Company Common Stock, may be purchased;

(b) that, to effect such distribution, Edison (1) send or cause to be sent to holders of Edison Common Stock entitled to one or more full shares of Gas Company Common Stock certificates for such full share or shares, such certificates to be so sent without awaiting, in the case of any such stockholder for whose account a share fraction has been, is being, or may be purchased for the purpose of rounding out to a full share, the issue of a certificate for such additional full share; and (2) irrevocably deliver to Continental Illinois National Bank and Trust Company of Chicago, as agent under the appointment made in (c) below, a certificate or certificates for shares of Gas Company Common Stock representing the aggregate of all share fractions;

[fol. 3638] (c) that Continental Illinois National Bank and Trust Company of Chicago (the "Agent Bank") be and it hereby is appointed agent for the holders of Edison Common Stock who, but for the proviso contained in (a) above, would be entitled to share fractions, the Agent Bank to receive and execute orders from such stockholders with respect to the sale of share fractions, and the purchase of additional share fractions for the purpose of rounding out to full shares of Gas Company Common Stock, as follows:

orders for the sale or purchase of share fractions shall be received by the Agent Bank up to the close of business, 5:00 P.M. Central Standard Time March 18, 1955; orders received by the Agent Bank up to a time to be determined by it, but not later than 11:00 A.M. Central Standard Time, on each business day shall be executed by it by set-off to the extent possible and any remaining balance of full shares of Gas Company Common Stock, representing such day's aggregate net sale or purchase, as the case may be, of share fractions, shall be sold or purchased in the market on such day; sellers

of share fractions shall receive payment, and purchasers of share fractions shall be billed, on the basis of the weighted average of the prices, as determined by the Agent Bank, at which its market transactions (whether on the Midwest Stock Exchange or otherwise) on such day were made; orders received by the Agent Bank on March 18, 1955, after the time determined as above but prior to the close of business, together with all orders then unexecuted (which for all purposes hereof shall be deemed to include orders to sell the share fractions of all holders of Edison Common Stock whose orders shall have not been received, properly completed and signed, by the Agent Bank before such close of business) shall be executed in like manner on March 21, 1955, the payments and billings for which shall be on the basis of average prices determined as above stated but with respect to market transactions on March 21, 1955; and the duty of the Agent Bank to execute selling and buying orders shall be subject to its ability to find purchasers or sellers, as the case may be, of share fractions;

[fol. 3639] that the Agent Bank shall send to each holder of Edison Common Stock for whose account a share fraction shall have been sold a check for the proceeds of sale; and that the Agent Bank shall bill each holder of Edison Common Stock for whose account a share fraction shall have been purchased and, upon receipt of payment, shall send to such stockholder a certificate for the full share of Gas Company Common Stock to which he is then entitled; that in case of the failure of such stockholder to pay such bill within such reasonable time as the Agent Bank shall determine, the Agent Bank shall have the right to sell such share and shall, after the sale thereof, send to such stockholder a check for the proceeds remaining after deducting the full amount of such unpaid bill and any costs incurred by the Agent Bank on account of such stockholder's default in payment;

(d) that Edison shall bear the expenses of its distribution of Gas Company Common Stock, as provided for by this resolution, including the cost of the services and disbursements of the Agent Bank and of all required federal stock transfer tax stamps;

(e) that the officers be and they hereby are authorized and directed to do all such things as shall be neces y or expedient in their judgment to effect the distribution of Gas Company Common Stock provided for by this resolution, including, without limiting the generally of such authorization and direction, the fixing (to the extent not herein fixed) of the detailed terms of the agency under which the Agent Bank is to act as the agent for the holders of Edison Common Stock who, but for the proviso contained in (a) above, would be entitled to share fractions, the determination of the manner in which the election of such stockholders in respect of the sale or purchase of share fractions may be or may be deemed to be exercised, and the preparation and mailing of all such communications to stockholders as may be required or appropriate; and

[fol. 3640] (f) that in connection with the distribution of Gas Company Common Stock, provided for by this resolution, the retained earnings of Edison be charged with an amount equal to Edison's investment in such stock.

I, Fred N. Baxter, Secretary of Commonwealth Edison Company, an Illinois corporation, having in my custody and possession the corporate records and seal of the Company, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Board of Directors of the Company at a meeting of such Board duly convened and held, in accordance with the By-Laws of the Company, on January 26, 1955, at which meeting a quorum was present and voting throughout; and that such resolution has not been amended or rescinded.

Witness my hand and the corporate seal of the Company this 11th day of February, 1955.

[SEAL] Fred N. Baxter, Secretary.

[fol. 3641] U. S. Treasury Department

Washington 25

Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue, Washington 25, D. C. and Refer to T:R:R, GP

Jan. 20, 1955.

Commonwealth Edison Company,
72 West Adams Street,
Chicago 90, Illinois.

Attention: Mr. Grant H. Wier, Assistant Comptroller

Gentlemen:

This is in reply to your letter dated December 9, 1954, requesting a ruling as to the effect, for Federal income tax purposes, of the proposed distribution by you to your common stockholders of common stock of Northern Illinois Gas Company. The relevant facts appear to be as set forth below.

Commonwealth Edison Company (hereinafter referred to as Edison) is a public utility company furnishing electric service in the northern part of Illinois including the City of Chicago. On December 15, 1950, Western Gas and Electric Company and Illinois Northern Utilities Company, all of the stock of which companies Edison had owned directly for more than 5 years, were merged into Public Service Company of Northern Illinois (Public Service), over 99% of the stock of which Edison had owned directly for more than 5 years, and on March 17, 1953, Public Service was merged into Edison. The merger of Public Service into Edison was the subject matter of closing agreements entered into by Edison and Public Service, respectively, with the Commissioner of Internal Revenue on March 20, 1953, and approved by the Acting Secretary of the Treasury on April 27, 1953, which set forth, among other things, that the statutory merger of Edison and Public Service would result in no taxable gain or deductible loss to either company.

On February 9, 1954, Edison transferred and conveyed its gas utility properties and two small heating utility properties, all of which it had acquired through the merger above-

mentioned, to Northern Illinois Gas Company (Northern Gas), an Illinois corporation organized on November 25, 1953, for the purpose of acquiring and operating such properties. Throughout a period of more than 10 years prior to February 9, 1954, such properties had been operated in the gas and heating utility businesses actively conducted by the above-mentioned successive owners of such properties. As of December 31, 1953, the transferred properties represented about 11% of Edison's depreciated plant and accounted for approximately 15% of its total operating revenues for the 12 months ended on that date. Northern Gas is engaged primarily in the purchase, production and sale of gas in 235 communities and adjacent areas, located in Cook County outside the City of Chicago, and in 16 other counties in northern Illinois.

[fol. 3642] The gas and heating properties, before they could be transferred to Northern Gas, had to be released from the lien of Edison's mortgage securing its outstanding first mortgage bonds. At December 31, 1953, Edison's total long-term debt was $544,400,000, consisting of $410,000,000 of first mortgage bonds and $134,400,000 of sinking fund debentures. Of this amount, about $6,000,000 was attributable to the gas and heating properties, assuming the relationship of the depreciated cost of these properties to Edison's total depreciated properties to be a fair determination.

Edison's mortgage contains no provision which would have permitted another corporation to assume directly a portion of Edison's liability on its first mortgage bonds. However, substantially the same effect was achieved, pursuant to a separation agreement between Edison and Northern Gas entered into on January 22, 1954, through (a) the creation by Edison, by a separate indenture, of a divisional lien on its gas properties only, and (b) the contemporaneous issuance and sale by Edison of its bonds secured by such divisional lien. Thereafter, as consideration for Edison's transfer and conveyance of its gas and heating properties, Northern Gas assumed $60,000,000 principal amount of Edison's Gas Divisional Lien Bonds, 3½% Series, due January 1, 1979, and adopted as its own Edison's indenture securing such bonds, whereupon the designation of the bonds was changed to "Northern Illinois

Gas Company First Mortgage Bonds, 3½% Series due January 1, 1979", and Edison was released and completely discharged from all further liability under the bonds and the indenture. Northern Gas also assumed certain other liabilities of Edison and issued to Edison 5,892,484 shares of Northern Gas common stock (capitalized at $10 per share by Northern Gas), such shares constituting all of the initially issued shares of common stock of Northern Gas. On February 9, 1954, Edison purchased from Northern Gas 100,000 shares of 5% voting convertible preferred stock for $10,000,000 in cash to provide Northern Gas with working capital and construction funds.

The underwriters to whom Edison's Gas Divisional Lien Bonds were sold deposited the total purchase price (about $60,828,000) directly with the trustee under the mortgage securing Edison's outstanding first mortgage bonds. The amount so deposited, together with approximately $84,172,000 of unbonded net property additions certified to such trustee, constituted the basis for the release from the lien of the mortgage of the gas and heating properties, valued at $145,000,000 for release purposes. Such release was effected prior to, and as a necessary condition to, the issuance by Edison of its Gas Divisional Lien Bonds and the subsequent transfer of the properties to Northern Gas.

The above-mentioned $60,828,000 of deposited funds were withdrawn by Edison in six monthly installments, on the basis of additional unbonded net property additions, to reimburse it for its expenses in connection with the issue and sale of the Gas Division Lien Bonds and for the cost of gross additions after December 31, 1953, to the electric properties of Edison and its subsidiaries.

[fol. 3643] On April 27, 1954, Northern Gas entered into a contract for the sale of 400,000 additional shares of its common stock, at $15.20 per share, to a group of 85 underwriters who offered such shares to the public at $15.75 per share. These shares constituted a new issue and did not include any of the shares of common stock of Northern Gas held by Edison.

In March 1954, Edison announced its intention of distributing its holdings of common stock of Northern Gas to the holders of Edison's common stock, in annual installments over a period of years, but with the right reserved to its

board of directors to adopt from time to time a different plan for the disposition of such stock. The initial distribution consisted of a dividend paid on August 2, 1954, at the rate of one share of Northern Gas stock for each 25 shares of Edison common stock. Of the 131,237 Edison stockholders entitled to the dividend, 65,185 elected to receive a total of 422,480 shares of Northern Gas stock. Pursuant to the election of the remaining 66,052 Edison stockholders, the balance of 233,974 shares of the dividend stock was sold for them at competitive holding at the price of $20.28125 per share.

The following is a summary of the outstanding stock of Northern Gas as of August 2, 1954, and December 9, 1954, showing the shares now owned by Edison and the percent of the total outstanding shares represented by Edison's holdings:

	Common	Preferred	Total
Total voting power	6,292,484	100,000	6,392,484
Now held by Edison:			
Shares	5,236,030	100,000	5,336,030
Percentage	83.2	100	83.6
80% of total voting power			5,113,988

Edison now proposes, subject to the receipt of a favorable ruling from this office, to distribute all of its holdings of common stock of Northern Gas to the holders of common stock of Edison. Edison's plans for the complete distribution are substantially as follows:

1. The distribution will be authorized as promptly as practicable after the receipt of a favorable ruling, and will be made within 40 days after the earliest practicable date of record for determination of holders of Edison common stock entitled to the distribution.

[fol. 3644] 2. The ratio of the distribution will be determined at the time of the authorization. However, no fractional shares of Northern Gas stock will be distributed as such.

3. Certificates for full shares of Northern Gas stock will be issued and sent out as of the distribution date to holders of Edison common stock entitled thereto. Each Edison stockholder entitled to a fractional share will be sent, at the same time, either a scrip certificate (expir-

ing on a specified date) evidencing, or a reply card relating to, his fractional share.

4. A certificate or certificates for the number of full shares of Northern Gas common stock representing the aggregate of all fractional shares will be issued and delivered as of the distribution date to a Chicago bank as agent for the holders of Edison common stock entitled to fractional shares.

5. Each common stockholder of Edison entitled to a fractional share will be given an opportunty to instruct the Chicago agent bank (or perhaps at his option, in the event scrip is used, a New York agent bank) to do one of the following for his account:

   (a) buy a fractional share to round out one full share of Northern Gas common stock, and send him his certificate upon his payment for the fractional share purchased, or

   (b) sell his fractional share and send him the proceeds.

The scrip or replay card with respect to each fractional share will state that failure to surrender such scrip to either agent bank, or failure to return such reply card to the Chicago agent bank, within a specified period of time will be deemed to authorize the Chicago agent bank to sell the fractional share and remit the proceeds to him. If scrip is used, it might be bought and sold through banks and brokers generally and surrendered for full shares.

[fol. 3645] 6. Edison may compile, or assist in the compilation of, scrip or reply card orders to and for the Chicago agent bank and prepare routine forms for the agent bank. If performed by Edison, the compilations and forms will be furnished to the Chicago agent bank for appropriate action on its part as agent for the stockholders.

7. Orders for the purchase or sale of fractional shares, as indicated on scrip or reply cards received by the agent bank or banks up to a stated time on each business day during a specified period will be executed by set-off to the extent possible and any remaining balance of full shares of Northern Gas common stock will be

purchased or sold in the market on such day. Edison proposes to stand its own expenses and to pay for the agent bank's or banks' services, out of pocket disbursements, and all Federal transfer stamps required in connection with the disbursement.

Prior to the distribution by Edison of the Northern Gas common stock, it is proposed to adjust the proportion of Northern Gas common stock held by Edison to a workable ratio for the distribution. One such workable ratio might be three shares of Northern Gas common stock for each 10 shares of Edison common stock. The ratio finally determined might be accomplished by Edison surrendering for cancellation a number of shares of Northern Gas stock, or the purchase by Edison of additional presently unissued shares, or the reacquisition in the open market and subsequent cancellation by Edison of shares of its own common stock, or by some combination of such methods. In the event that Edison surrenders to Northern Gas for cancellation a number of shares of common stock of Northern Gas now held by Edison, the Northern Gas stock held by Edison after such surrender will constitute at least 80% of the total voting power of the then outstanding stock of Northern Gas.

Prior to the distribution by Edison to its common stockholders of the Northern Gas common stock, Edison proposes to sell its 100,000 shares of Northern Gas 5% convertible preferred stock either to a group of buyers not affiliated with Edison at a price determined by arms-length negotiation, or to Northern Gas for $10,000,000 (the par value and the cost to Edison of such shares).

Based solely on the information submitted, it is held as follows:

(1) No gain or loss will be recognized to Edison as a result of the distribution by it to its common stockholders of common stock of Northern Gas, as outlined above, in view of the provisions of section 311(a) of the Internal Revenue Code of 1954.

[fol. 3646] (2) No gain or loss will be recognized to the common stockholders of Edison as a result of the receipt by them of the Northern Gas common stock. (Section 355(a)(1) of the 1954 Code).

(3) The basis of the common stock of Edison in the hands of the stockholders must be allocated between such stock and the stock of Northern Gas received (including any fractional shares to which the stockholders would otherwise be entitled) on the basis of the fair market value of each as of the effective date of the distribution.

(4) Upon the sale of a fractional share of Northern Gas common stock (as represented by scrip certificates or the order card) by the agent bank for the account of a particular stockholder, such stockholder will realize a gain or loss measured by the difference between the basis of the fractional share sold, determined as explained above, and the amount received therefor. Such gain or loss will constitute capital gain or loss subject to the provisions and limitations of Subchapter P of the 1954 Code.

(5) The cost of any fractional share purchased for the account of a particular stockholder will be added to the basis of his shares of Northern Gas common stock received in the distribution.

(6) The accumulated earnings and profits of Edison must be allocated between such corporation and Northern Gas in accordance with section 312(i) of the 1954 Code and regulations thereunder.

It is important that a copy of this letter be attached to the Federal income tax return of Edison for the year in which the distribution is made. A copy is enclosed for that purpose.

Very truly yours, H. T. Swartz, Director, Tax Rulings Division.

Enclosure

[fol. 3647] Commonwealth Edison Company

Chicago 90, Illinois

December 8, 1954.

To Our Stockholders:

Since the transfer of our gas properties to Northern Illinois Gas Company last February, we have made substantial progress toward separating gas and electric operations.

This progress includes the establishment of a highly competent executive staff headed by Marvin Chandler, who was recently elected president of Northern Illinois Gas Company, the separation of electric and gas billing and accounting and the segregation of other administrative, commercial and corporate activities. Operating activities had been previously separated. Further, application has been made for listing the gas company's common stock on the Midwest Stock Exchange.

Shortly after Northern Illinois Gas Company was established we reported to you that it was our plan to make annual distributions of gas company common stock to the holders of Edison common as a supplement to cash dividends. At that time this plan of gradual distribution appeared to be best suited to our stockholders' interests principally because we understood that any distribution of gas company stock to holders of Edison common would be taxable under the income tax law then in effect. You will recall that an initial distribution was made last August on the basis of one share of gas company stock for every 25 shares of Edison and that this distribution was taxable to the holders of Edison stock.

It now appears that, under the new Internal Revenue Code of 1954, Edison's remaining holdings of gas company common stock may be received tax-free for income tax purposes by holders of Edison common if a single distribution is made. Such a distribution, to be tax-free, must be made before Edison reduces its holding below 80% of the gas company's outstanding stock. We plan to request a ruling soon as to the non-taxability of such a distribution.

If the ruling is favorable, we expect to distribute all, or nearly all, of Edison's holdings of common stock in the gas company as soon as practicable thereafter—probably sometime in the first half of 1955. If, on the other hand, the

ruling should be unfavorable, we expect to continue our original plan to make annual distributions of gas company common stock to holders of Edison common.

At the present time, Edison owns 5,236,030 shares, or 83.2%, of the 6,292,484 outstanding common shares of Northern Illinois Gas Company. Edison has outstanding 16,607,050 shares of its own common stock. Therefore, the distribution, if made, will approximate something less than one share of gas company common stock for every three shares of Edison common stock.

Sincerely yours, Willis Gale, Chairman.

Charles Y. Freeman, Chairman of the Executive Committee.

[fol. 3648] General Motors Trial Exhibit No. GM-30

Standard Oil Company
(Indiana)

Executive Offices 910 South Michigan Avenue
Chicago, Illinois

June 30, 1955.

To Our Stockholders:

Some of our stockholders have asked that we clarify our policy with regard to the portion of our total dividends which we have been paying in Standard Oil Company (New Jersey) stock.

Our Company has declared such special dividends (in addition to quarterly cash dividends) once each year for the past seven years. Owners who held enough shares of our stock to entitle them to one or more full shares of the Jersey stock have received such stock; owners whose holdings would otherwise entitle them to fractional shares have received equivalent payments in cash.

Many financial publications, in listing or tabulating dividends, either ignore this special payment or merely list our regular cash dividends with a footnote: "plus stock dividend." Such a footnote generally means only a distribution of some additional shares of a company's own stock. The result is that our Company's total dividend payments

are often interpreted as being substantially lower than they are.

No board of directors can make binding commitments as to future dividend policy, which will necessarily be affected by a variety of considerations not known in advance. However, your board feels that it can properly point out to stockholders the reasoning behind its dividend policy over the past seven years and its present thinking with regard to future declarations.

In order to build up crude oil reserves and keep up with the rapidly growing demand for improved petroleum products, the plowing back of a substantial portion of earnings has been, and probably will continue to be, essential in our industry. Over the past ten years we have paid out as dividends a slightly larger percentage of earnings than that paid by the industry as a whole. In each of the past seven years a special dividend, of va .able amount, in Jersey stock has been used to bring the total payments to the desired level.

For the seven years, 1945 through 1951, our total dividend payments averaged 37.9 percent of earnings as compared with a weighted average of 37.7 percent of earnings paid out by the thirty largest oil companies. For the last three years the Company has tried to bring its total dividend declaration up to about 50 percent of earnings and it has actually averaged 51.6 percent as compared with a weighted average of 44.3 percent for the thirty companies. [fol. 3649] The percentage of income paid out has, however, fluctuated considerably from year to year, partly because it is impossible to know on the declaration date what the market price of Jersey stock will be on the date of distribution about seven weeks later, and partly because five out of seven of our special dividends have been declared in the third quarter when it was too early to approximate our probable earnings for the full year.

In view of the foregoing, your directors have decided to authorize this statement of their present intention as to dividend policy for the next several years. That present intention is to continue to supplement regular cash dividends by a special dividend in an amount sufficient to bring our total dividend declaration in any year to about 50 percent of that year's earnings.

In order to approximate this percentage more closely, your board intends to declare such future special dividends *in the fourth quarter*. Ordinarily such special dividends will be in the form of Standard Oil Company (New Jersey) stock, with compensating cash payments in lieu of fractional shares. Declaring the special dividend in this form has the advantages of conserving cash, of saving capital gains taxes to the Company, and of giving stockholders receiving the Jersey stock the option of either holding a valuable stock or selling it to augment their cash income.

Very truly yours, Robert E. Wilson, Chairman. F. O. Prior, President.

[fol. 3650] AMICUS CURIAE DALLSTREAM TRIAL EXHIBIT NO. 2.

Table of Contents

1. Request for Ruling dated December 11, 1957, with exhibits as follows:

Exhibit 1—Order of the Court of November 21, 1957
Exhibit 2—Order of the Court of September 25, 1957
Exhibit 3—Final Judgment Proposed by Plaintiff
Exhibit 4—General Motors Corporation—Report to Shareholders—June 30, 1957
Exhibit 5—E. I. du Pont de Nemours & Company—Semi-annual Statement—June 30, 1957
Exhibit 6—Christiana Securities Company—Semi-annual Statement—June 30, 1957
Exhibit 7—Delaware Realty & Investment Corporation—Semi-annual Statement—June 30, 1957.

2. Letter from Counsel for E. I. du Pont de Nemours & Company to Commissioner of Internal Revenue dated December 16, 1957.

3. Letter from Assistant Attorney General, Antitrust Division Department of Justice to Commissioner of Internal Revenue dated December 18, 1957, with attachment.

4. Letter from Counsel for General Motors Corporation to Assistant Attorney General, Antitrust Division, Department of Justice dated January 16, 1958.

5. Letter from Counsel for General Motors Corporation to Commissioner of Internal Revenue dated January 16, 1958.

6. Notification of Representatives and Fee Statement for:

Christiana Securities Company dated January 24, 1958
Delaware Realty & Investment Corporation dated January 24, 1958
E. I. du Pont de Nemours and Company dated January 27, 1958.

7. Letter and memorandum submitted to Commissioner of Internal Revenue on behalf of Christiana Securities Company and Delaware Realty & Investment Company dated March 5, 1958.

8. Letter and memorandum submitted to Commissioner of Internal Revenue on behalf of E. I. du Pont de Nemours and Company dated March 6, 1958.

[fol. 3651] 9. Letter from Assistant Attorney General, Antitrust Division, Department of Justice to Commissioner of Internal Revenue dated March 13, 1958.

10. Letter from Counsel for General Motors Corporation to Commissioner of Internal Revenue dated March 24, 1958.

11. Letter from Counsel for General Motors Corporation to Assistant Attorney General, Antitrust Division, Department of Justice dated March 24, 1958.

12. Letter from Assistant Attorney General, Antitrust Division, Department of Justice to Counsel for General Motors Corporation dated March 31, 1958.

13. Ruling by Commissioner of Internal Revenue dated May 9, 1958.

[fol. 3652] December 11, 1957.

Hon. Russell C. Harrington,
Commissioner of Internal Revenue,
Washington 25, D. C.

Dear Sir:

The undersigned respectfully submit their request for a ruling, as follows:

I. Statement of Facts

A. Background

This request is submitted pursuant to an order dated November 21, 1957 (a copy of which is attached as Exhibit 1 hereto), of the Honorable Walter J. LaBuy, Judge of the United States District Court, Northern District of Illinois, Eastern Division ("District Court"), in the case entitled "*United States of America*, Plaintiff v. *E. I. duPont de Nemours and Company et al.*, Defendants," Civil Action No. 49 C 1071. The ruling is requested with respect to certain transactions which would be required under the terms of a proposed final judgment which the United States Department of Justice, on behalf of the plaintiff in said case, has proposed for adoption by the District Court, under circumstances set forth more fully below.

[fol. 3653] The above-mentioned case is a civil action brought by the Department of Jusice under the Sherman Act and the Clayton Act. After a trial on the merits in the District Court, and upon direct appeal to the United States Supreme Court, the Supreme Court rendered its opinion on June 3, 1957 (*United States States of America* v. *E. I. duPont de Nemours and Company, et al.*, 353 U.S. 586) and remanded the case to the District Court for determination of the equitable relief necessary and appropriate in the circumstances.

On September 25, 1957, upon the remand to the District Court for determination of the appropriate relief, a pretrial conference was held before Judge LaBuy. At its conclusion, Judge LaBuy entered an order (a copy of which is attached as Exhibit 2 hereto) which directed the plaintiff to file, on or before October 25, 1957, its proposed plan of compliance.

Pursuant to said order, the Department of Justice, on behalf of the United States of America as plaintiff, has submitted its "proposed final judgment incorporating its recommendations as to the relief necessary and appropriate in the public interest" (hereinafter called the "proposed final judgment"). Said proposed final judgment (a copy of which is attached hereto as Exhibit 3) would require [fol. 3654] various acts to be performed by the defendant duPont, the defendant General Motors, the defendant Christiana Securities Company ("Christiana"), the defendant Delaware Realty & Investment Corporation ("Delaware"), and also by a trustee or trustees to be appointed by the District Court, certain of which acts would or might constitute taxable transactions on the part of some or all of said persons and/or their stockholders.

B. Names and Addresses of Interested Parties

Pursuant to the order of the District Court dated November 21, 1957 (Exhibit 1); this request for ruling was prepared with the cooperation of, and is submitted by, the following parties:

(1) The United States Department of Justice, on behalf of the United States of America as plaintiff in the case of *United States of America* v. *E. I. duPont de Nemours and Company, et al.*, and as proponent of the proposed final judgment which is the occasion and subject matter of the requested ruling.

(2) E. I. du Pont de Nemours and Company, Wilmington, Delaware, a defendant in the above-mentioned case;

(3) General Motors Corporation, Detroit, Michigan, a defendant in the above-mentioned case;

(4) Christiana Securities Company, Wilmington, Delaware, a defendant in the above-mentioned case,

[fol. 3655] (5) Delaware Realty & Investment Corporation, Wilmington, Delaware, a defendant in the above-mentioned case;

(6) Andrew J. Dallstream, as amicus curiae representing the interests of stockholders of E. I. duPont de Nemours and Company; and

(7) Manuel E. Cowen, as amicus curiae representing the interests of stockholders of General Motors Corporation.

C. Relevant Data

Attached hereto and marked Exhibits 4, 5, 6 and 7, respectively, are copies of financial statements of General Motors, duPont, Christiana and Delaware, as of June 30, 1957.

General Motors presently has outstanding 280,399,938 shares of common stock, all entitled to vote, and no other class of stock or securities which carry voting rights.

DuPont owns 63,000,000 shares of General Motors common stock, or approximately 23 percent of the outstanding amount. The General Motors shares owned by duPont have an aggregate adjusted income tax basis in the hands of duPont of approximately $132,000,000. Various blocks of these shares have different per share bases, and duPont can identify the separate blocks and establish the respective bases. Using recent quotations on the New York Stock Exchange, the present value of duPont's holdings of General Motors shares is approximately $2,250,000,000. This [fol. 3656] value is substantially in excess of duPont's accumulated earnings and profits.

Christiana presently owns 535,500 shares of General Motors stock, which have an aggregate adjusted income tax basis of approximately $4,825,000. Delaware presently does not own any shares of General Motors stock.

II. Questions with Respect to Which Rulings are Requested

A ruling is requested with respect to each of the following questions presented by the proposed final judgment (Exhibit 3):

A. *With respect to the trustee referred to in paragraph (D) of Article II of the propsed final judgment:*

1. What would be the status of the trustee for Federal income tax purposes? Would there be a trust or trusts for tax purposes, or would the trustee be acting in the capacity of an agent or nominee or court-appointed receiver? If there would be one or more trusts for tax purposes, would each be a strict trust, a "grantor as substantial ower" trust, or a "beneficiary as substantial owner" trust?

[fol. 3657] 2. What, if any, Federal income tax information returns or tax returns would the trustee be required to file?

B. *With respect to the provisions of Article III of the proposed final judgment:*

1. Would the respective tranfers to the trustee by duPont and Christiana of the certificates representing all of the General Motors stock held by each of them constitute

(a) sales, exchanges or other dispositions resulting in the realization of gain or loss by the respective tranferors, and, if so, would such gain or loss be recognized?

(b) distributions by the respective transferors resulting in the realization of income by

(i) the trustee-transferee?

(ii) stockholders of either transferor?

2. If the answer to 1(b)(i) is "yes," what would be the nature and amount of the distribution to the trustee-transferee?

3. If the answer to 1(b)(ii) is "yes," what would be the nature and amount of the distribution in the case of

(a) Christiana and of Delaware?

[fol. 3658] (b) any other domestic corporate stockholder of the transferor?

(c) a resident foreign corporate stockholder of the transferor?

(d) a non-resident foreign corporate stockholder of the transferor?

(e) a non-corporate stockholder who is also a stockholder of Delaware?

(f) any other non-corporate stockholder of the transferor?

4. If the total amount considered distributed to the stockholders of duPont, upon duPont's transfer of its GM shares to the trustee, shall exceed the earnings and profits of duPont, so that the total amount distributed shall exceed the total amount constituting a dividend, what will be the amoun constituting a dividend to each such distributee?

5. In the case of a corporate stockholder of duPont, to what extent, if any, will there be any increase in earnings and profits from the receipt of value in excess of the amount considered distributed?

[fol. 3659] 6. Will the shares held by the trustee retain the same basis as in the hands of the respective transferor (duPont and Christiana), and will the identification of shares by bases continue in the hands of the trustee?

7. If the answer to B.1.(b)(ii) is "yes," what will be the tax consequence of a transfer of duPont shares by a duPont stockholder prior to final distribution by the trustee?

8. Will there be any documentary stamp tax liability upon the transfers to the trustee?

C. *With respect to the provisions of Article IV of the proposed final judgment:*

1. Would the cash and other dividends declared by General Motors and paid to the trustee constitute gross income of the trustee, and, if so, would such gross income (less deductible expenses) be considered currently distributable so that the trustee would be entitled to a deduction therefor?

2. Would such "cash or other dividends" payable by the trustee to duPont or Christiana constitute gross income to the respective payee? If so, would such income be realized at the time when received by the trustee or at [fol. 3660] the time when paid over by the trustee, or at the close of the taxable year of the trustee in which they are received or paid over by the trustee? Would such payments retain the same character in the hands of the payees as if they had received said payments directly from General Motors?

D. *With respect to the provisions of Article V of the proposed final judgment:*

1. Would any stockholder of duPont realize gross income by reason of the grant, exercise, delegation or non-exercise of a proxy to vote

(a) General Motors shares allocable to the duPont shares he holds?

(b) His prorated portion of General Motors shares allocable to the duPont shares held by Christiana, Delaware, and stockholders of Delaware?

(c) His prorated portion of General Motors shares deposited with the trustee by Christiana?

E. *With respect to the provisions of Article VI of the proposed final judgment:*

1. Would the annual distributions of General Motors shares by the trustee to duPont stockholders, other than [fol. 3661] Christiana, Delaware and the stockholders of Delaware, constitute

(a) a distribution in partial or complete termination of a trust, taxable only to the extent of the trust's income?

(b) a tax-free distribution under any provisions of the Code?

(c) a partial liquidation of duPont under Section 346 of the Code?

(d) a distribution under Section 301 of the Code?

2. With respect to any such annual distributions,

(a) What would be the basis of the General Motors shares in the hands of corporate and non-corporate recipients?

(b) When would the holding periods of such shares be considered to begin?

(c) What effect, if any, would the distributions have on the basis of du Pont shares held by such recipients?

3. (a) If the annual distributions referred to in 1 above, to the stockholders of duPont would be "distributions" under Section 301 of the Code, what is the "amount" of the distribution in the case of

[fol. 3662] (i) Christiana and of Delaware?

(ii) any other domestic corporate stockholder of the transferor?

(iii) a resident foreign corporate stockholder of the transferor?

(iv) a non-resident foreign corporate stockholder of the transferor?

(v) a non-corporate stockholder who is also a stockholder of Delaware?

(vi) any other non-corporate stockholder of the transferor?

(b) If the amount of the distribution were to exceed the earnings and profits of duPont, how would the earnings and profits be allocated among the shares owned by corporate and non-corporate stockholders for purposes of computing the amount constituting a dividend to each such distributee?

(c) Will duPont's identification of shares control the determination of the basis in its hands and in the hands of the trustee of the General Motors shares distributed?

[fol. 3663] (d) In the case of a corporate stockholder of duPont, to what extent, if any, would there be any tax or any increase in the earnings and profits of the distributee from the receipt of value in excess of the total amount considered distributed?

(e) What would be the tax treatment of any amount distributed in excess of the amount constituting a dividend to any stockholder of duPont, and in the case of a corporate stockholder, what would be the effect on its earnings and profits of any such excess distribution?

4. Would there be any realization of income by the trustee, duPont, Christiana, Delaware or duPont stockholders as the result of the sale of fractional shares? If so, would such income be recognized? If, so what would be the nature and amount of income taxable to each?

5. Will there be any documentary stamp tax liability upon the annual distributions by the trustee? or upon any other annual related transaction by the trustee?

6. If the answer to E. 1. (d) is "yes," what will be the tax consequence of a transfer of duPont shares by a duPont stockholder prior to final distribution by the trustee?

[fol. 3664] F. *With respect to the provisions of Article VII of the proposed final judgment:*

1. Would duPont realize gross income by reason of the issuance to its stockholders, other than Christiana, Delaware and stockholders of Delaware, of

(a) options to purchase General Motors shares deposited with the trustee by Christiana?
(b) options to purchase General Motors shares deposited with the trustee by duPont and allocable to the duPont stockholders of Christiana, Delaware and stockholders of Delaware?

2. What would be the tax treatment to the stockholders of duPont of

(a) the grant to them by duPont of options to purchase shares of General Motors stock deposited with the trustee by duPont and Christiana?
(b) the exercise of such options?
(c) the sale, exchange or other disposition of such options?
(d) the lapse of such options?
(e) the sale, exchange or other disposition of stock acquired by the exercise of such options?

[fol. 3665] 3. Would the shares deposited by duPont with the trustee which are allocable to Christiana, Delaware and the stockholders of Delaware but which are sold upon the exercise of options or otherwise by the trustee be considered as first having been distributed in kind to Christiana, Delaware and the stockholders of Delaware and then sold for their respective accounts?

4. If the answer to 3 is "yes,"

(a) How would such distributions be taxed to the distributees?
(b) When would the holding period be considered as commencing for each distributee?
(c) What would be the basis in the hands of each distributee?
(d) How would any gain or loss on the sales be treated for tax purposes?

5. If the answer to 3 is "no,"

(a) Would said shares be considered as sold by duPont, with any taxable gain thereon taxable to duPont?

(b) Would the payment of the "net proceeds" by the trustee to Christiana, Delaware and the stockholders of Delaware be considered

[fol. 3666] (i) a distribution in partial or complete termination of a trust, taxable only to the extent of the trust's income?

(ii) a tax-free distribution under any provisions of the Code?

(iii) a partial liquidation of duPont under Section 346 of the Code?

(iv) a distribution under Section 301 of the Code?

(c) Depending upon whether the "net proceeds" so paid were the gross proceeds less only the trustee's expenses, or the gross proceeds less expenses and less taxes attributable to any gain on the sales, would there be any difference in the tax effect of such payments upon the payees or upon duPont, and would there be any tax effect upon other stockholders of duPont?

6. With respect to the General Motors shares deposited with the trustee by Christiana,

(a) Would gain or loss be realized and recognized to the trustee with respect to the receipt or disposition of such shares, and, if so, what would be its nature and at what time would it be recognized?

[fol. 3667] (b) Would gain or loss be realized and recognized to Christiana upon the deposit of the shares, the granting or exercise of options to purchase such shares, or on the sale of shares at public or private sale, and, if so, at what time would it be recognized?

7. Will there be any documentary stamp tax liability in respect of any transaction described in this section?

III. Request for Processing Ahead of Regular Order

As shown above, the case of *United States of America* v. *E. I. duPont de Nemours and Company, et al.* has been remanded by the United States Supreme Court to the District Court for determination of the equitable relief necessary or appropriate in the circumstances, and the District Court has ordered that the plaintiff file its proposed plan of compliance on or before October 25, 1957 (which plan has been filed and constitutes the proposed final judgment, Exhibit 3), that defendants file any suggested plans or comments on or before December 24, 1957, that amici curiae file any suggested plans or comments within forty-five days thereafter, and that plaintiff have thirty days to file [fol. 3668] any reply after all proposals and comments of defendants and amici curiae have been filed. In view of the great public interests involved in this case, it is urgently requested that this request for ruling be processed as expeditiously as possible and ahead of regular order.

IV. Additional Information and Request for Conference

Should any additional information be required for the consideration of this request for a ruling, it is requested that you telephone Mr. George D. Reycraft of the Antitrust Division, Department of Justice, Washington, D. C., or Mr. Daniel M. Gribbon, counsel for E. I. duPont de Nemours and Company, at REpublic 7-5900, Washington, D. C., who will see that such information is promptly provided.

It is hereby requested that a conference be held on the subject matter hereof at your convenience as promptly as possible, and that all parties to this request be notified in writing of the date for such conference.

[fol. 3669] It will be appreciated if a copy of every communication pertaining to this request is mailed to each of the undersigned.

Yours very truly, The United States of America, Department of Justice, Antitrust Division, Washington 25, D. C. By ——, ——, E. I. du Pont de Nemours and Company, Wilmington, Delaware, By ——, ——, General Motors Corporation, General Motors Building, Detroit, Michigan, By ——, [fol. 3670] ——, Christiana Securities Company,

Wilmington, Delaware, By ——, ——, Delaware Realty & Investment Corporation, Wilmington, Delaware, By ——, ——, Andrew J. Dallstream, amicus curiae, 231 South La Salle Street, Chicago 4, Illinois, CEntral 6-4500, Manuel E. Cowen, amicus curiae, One North La Salle Street, Chicago 2, Illinois, ANdover 3-6051.

[fol. 3671] (Submitted to IRS 12/20/57 as a supplement to request for ruling dated 12/11/57)

United States Department of Justice
Washington, D. C.

December 18, 1957.

Honorable Russell C. Harrington,
Commissioner,
Internal Revenue Service,
Washington 25, D. C.

My dear Mr. Commissioner:

On October 25, 1957 the Department of Justice filed with the District Court in the Northern District of Illinois its proposed Final Judgment in *United States* v. *E. I. du Pont de Nemours & Company, et al.*

At a hearing held on November 21, 1957 Judge La Buy directed all parties to the suit to join with the defendant taxpayers in requesting a ruling from the Internal Revenue Service with respect to the tax consequences of the Government's proposed Final Judgment. Accordingly, this is to advise you that the Department of Justice joins with the taxpayers in requesting that the Internal Revenue Service issue such a ruling at the earliest opportunity.

While the request for ruling incorporates some of the relevant facts it is our view that the disclosure by the taxpayers of the information indicated on the attachment to this letter will be of material assistance to the Internal Revenue Service in formulating a comprehensive ruling with respect to the tax consequences of the Final Judgment.

It is the intention of the Department of Justice to propose to the Court at an appropriate time that a separate order be issued, as contemplated in paragraph II (D) of the Final Judgment, appointing a trustee to administer the

disposition of the General Motors stock involved in the Judgment. In view of the relevance of the powers and [fol. 3672] duties in the trustee to the tax consequences of the Final Judgment, a general description of the powers and duties contemplated is set forth below.

Under the provisions of Article III of the Final Judgment the defendant corporations would be required to deposit with the trustee certain stock certificates. It is intended that the trustee hold these stock certificates as custodian for the owners and that title not pass to him. With respect to the annual distribution of stock required under the terms of the Final Judgment it is intended that the proposed order direct the du Pont Company to declare annual stock dividends consisting of one-tenth of the stock held by the trustee pursuant to the Final Judgment. Each annual stock dividend would then be distributed by the trustee to the du Pont stockholders entitled to receive it under the Final Judgment.

The order to be proposed would also direct the du Pont Company to issue to its stockholders the proxies required by Article V and the option to purchase pro rata shares of the General Motors stock to be held by the trustee (Article VII).

With respect to the stock required to be sold by the trustee, the sale would be made for the account of the stockholders who would otherwise be entitled to receive the stock in kind and the cash proceeds would be distributed to such stockholders. The trustee would have no power to defer the distribution of the proceeds and would be required to pay over the proceeds within a time specified by the Court.

In accordance with Article IV of the proposed Final Judgment any dividends paid by General Motors on the stock held by the trustee would be promptly distributed to the holders of record of the stock. The trustee would have no power to defer the payment of such dividends nor to determine the persons to whom they are to be paid.

The trustee would have no power to sell the stock held, other than as provided in the Final Judgment. Any cash received by the trustee would be required to be promptly distributed and the trustee would have no power to reinvest such proceeds in other stock or property.

It is the intention of the Department of Justice in pro-

posing this Final Judgment that the trustee or trust be considered a non-taxable entity and that any powers or duties of the trustee inconsistent with such a ruling be [fol. 3673] modified. It is accordingly requested that the Department of Justice be advised if any such modification will be required in order to achieve this objective.

Mr. George D. Reycraft of my staff is available to furnish any information which may be required by the Internal Revenue Service.

Your early consideration of this request will be very much appreciated.

Sincerely yours, Victor R. Hansen, Assistant Attorney General, Antitrust Division.

[fol. 3674] Attachment

The accumulated earnings and profits of du Pont presently amount to approximately $1,000,000,000, or approximately $———— per share of du Pont stock outstanding.

Du Pont has outstanding ———— shares of common stock all entitled to vote, and no other class of stock or securities which carry voting rights. Of the outstanding du Pont shares, ———— shares (——%) are held by Christiana, ———— shares (——%) are held by Delaware, ———— shares (——%) are held by persons who are stockholders of Delaware, and ———— shares (——%) are held by the remaining stockholders of du Pont. Of the 63,000,000 shares of General Motors stock owned by du Pont, ———— shares (——%) would be allocable under the proposed final judgment to the du Pont shares held by Christiana, Delaware and stockholders of Delaware, and ———— shares (——%) would be allocable to the du Pont shares held by this remaining stockholders of du Pont.

Christiana has outstanding ———— shares of voting common stock of which ———— shares (——%) [fol. 3675] are held by Delaware, ———— shares (——%) are held by persons who are stockholders of Delaware, and ———— shares (——%) are held by the remaining stockholders of Christiana. Christiana presently owns ———— shares of General Motors stock, which

have an adjusted income tax basis in its hands of $————, or $———— per share. The accumulated earnings and profits of Christiana amount to approximately $————, or $———— per share of Christiana stock outstanding.

Delaware has outstanding ———— shares of voting common stock of which ———— shares (——%) are held by persons who are stockholders of du Pont and ———— shares (——%) are held by persons who are stockholders in Christiana and ———— shares (——%) are held by persons who hold neither Christiana nor du Pont stock. Delaware does not presently own any shares of General Motors stock. The accumulated earnings and profits of Delaware amount to approximately $———— or $———— per share of Delaware stock outstanding.

[fol 3676] United States Department of Justice
Washington, D. C.

VRH:CLW
60-107-37

March 13, 1958.

Honorable Russell C. Harrington,
Commissioner,
Internal Revenue Service,
Washington 25, D. C.

My dear Mr. Commissioner:

On February 20, 1958 a meeting was held at your offices concerning a ruling to be issued by the Internal Revenue Service on the tax consequences of the proposed final judgment filed by the Department of Justice in the District Court for the Northern District of Illinois in *United States v. E. I. du Pont de Nemours and Company, et al.*

At that conference it was agreed that the Department of Justice would furnish certain additional details concerning the manner in which the proposed judgment is to be executed. Accordingly, the purpose of this letter is to set forth those details.

In my letter to you of December 18, 1957 I described the powers and duties of the trustee who is to be charged with the responsibility of disposing of the stock in accordance

with the terms of the proposed final judgment. Please refer to that letter for a description of the trustee's powers and duties.

1. In the event that General Motors makes a distribution of stock subscription rights the trustee will be directed to sell all such rights attributable to the stock deposited with him which remains unsold and undistributed at the time. The trustee will be further directed to pay to du Pont, Christiana, Delaware and the stockholders of Delaware the proceeds from the sale of the stock subscription rights attributable to the stock of which each is the legal and equitable owner in the same manner as the payment of dividends.

2. Article V of the proposed final judgment contemplates that the proxies to exercise voting rights to the General Motors stock deposited by du Pont, Christiana and Delaware shall be given to all du Pont stockholders who are [fol. 3677] entitled to receive a stock distribution of General Motors stock under the terms of the proposed final judgment. Since by reason of Article VI Christiana, Delaware and the stockholders of Delaware will not participate in such a stock distribution they would not receive any such proxies.

3. Article VI of the judgment provides that du Pont stockholders entitled to a distribution of General Motors stock may, with respect to any fractional shares to which they are entitled, elect to receive the value of such shares in cash or obtain a full share by paying to the trustee in cash the difference between the market value of the fractional share and the market value of a full share.

4. The options described in Article VII will be non-negotiable and will expire within a period of time to be fixed by the trustee, not to exceed 15 days after issuance. The price at which the options may be exercised will be determined by the trustee. The net proceeds received by the trustee upon the exercise of such options by the du Pont stockholders are to be paid to Christiana, Delaware and the stockholders of Delaware according to their beneficial interests.

5. Upon the date that each annual dividend declared by du Pont in General Motors stock becomes due and payable, that stock will be transferred upon General Motors' books

from du Pont's name to the names of all of its stockholders. The trustee will retain physical custody of the shares allocable to Christiana, Delaware and the stockholders of Delaware until they are sold.

Sincerely yours, Victor R. Hansen, Assistant Attorney General, Antitrust Division.

[fol. 3678] U. S. Treasury Department

Washington 25

May 9, 1958

Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue
Washington 25, D.C., and Refer to T:R:R, ES

Mr. Daniel M. Gribbon,
c/o Covington & Burling,
Union Trust Building,
Washington 5, D. C.

DEAR MR. GRIBBON:

Your letter dated December 16, 1957 transmitted to this office a request for a ruling as to the Federal income tax consequences of effectuating the proposed final judgment filed by the Department of Justice on October 25, 1957 in the United States District Court, Northern District of Illinois, Eastern Division in a case entitled United States of America, Plaintiff v. E. I. du Pont de Nemours and Company et al., Defendants, Civil Action No. 49 C 1071. The request dated December 11, 1957 was signed by E. I. du Pont de Nemours and Company (du Pont), General Motors Corporation (General Motors), Christiana Securities Company (Christiana), Delaware Realty & Investment Corporation (Delaware), Andrew J. Dallstream and Manuel E. Cowen, amici curiae, and the United States of America, Department of Justice, Antitrust Division. Additional information was submitted by the Department of Justice on December 18, 1957 and March 13, 1958. The pertinent facts as submitted, appear to be as follows:

The various corporations involved in the above-mentioned court action, had outstanding on June 30, 1957, common stocks which were owned, so far as herein pertinent, as follows:

	Shares Outstanding	Owned by du Pont	Owned by Christiana	Owned by Delaware
du Pont	45,604,345	—	12,199,200	1,217,920
Christiana	150,000	—	—	49,000
General Motors	280,399,938	63,000,000	535,500	—
Delaware	785,000	—	—	—

[fol. 3679] The General Motors shares owned by du Pont have an aggregate adjusted income tax basis in the hands of du Pont, of approximately $132,000,000. Various blocks of these shares have different per share bases, and du Pont can identify the separate blocks and establish the respective bases. The present value of these shares is approximately $2,250,000,000. The earned surplus of du Pont is in excess of $1,000,000,000. The General Motors shares owned by Christiana have an aggregate adjusted income tax basis of approximately $4,825,000.

On June 3, 1957, the Supreme Court rendered its decision in United States v. E. I. du Pont de Nemours & Company, et al., 353 U. S. 586, the antitrust suit involving the four corporations named above, and remanded the case to the District Court for determination of the equitable relief necessary and appropriate in the circumstances. The Department of Justice filed its proposed final judgment on October 25, 1957. On November 21, 1957, United States District Judge Walter J. La Buy ordered that the "plaintiff, defendants, and amici curiae" request a ruling from the Internal Revenue Service as to the income tax consequences of effectuating the proposed final judgment, the pertinent provisions of which are stated hereinafter.

Du Pont and Christiana will be ordered to convey to a trustee certificates representing all of the General Motors common stock owned by them. General Motors shall pay to the trustee all dividends payable with respect to the General Motors shares held by the trustee. The trustee shall pay to du Pont and Christiana the General Motors dividends allocable to the shares conveyed by them to the trustee and which remain unsold or undistributed at the time such dividends are declared.

During the ten-year period required to effect the stock distribution, the trustee shall deliver to each du Pont shareholder of record who is entitled to receive one or more shares of General Motors stock, a notice of all General Motors shareholders' meetings and proxies authorizing the shareholder to exercise the sole voting power of both the proportionate shares of General Motors stock allocable to each share of du Pont stock and a prorated amount of the General Motors shares deposited by Christiana with the trustee which is at such time unsold.

[fol. 3680] Beginning 90 days after the date of entry of the final judgment and on each anniversary date thereafter, for a total of ten years, the trustee shall distribute pro rata to holders of du Pont common stock, other than Christiana, Delware and the shareholders of Delaware, one-tenth of the shares of General Motors stock deposited with the trustee by du Pont. No fractional shares shall be issued. In lieu thereof, each distributee shall be given an option to receive in cash the value of any fractional share based on the market value of General Motors common stock as of the date of distribution; or to receive a full share of General Motors common stock by paying cash to the trustee in the amount of the difference between the market value of the fractional share and the market value of a full share as of the date of distribution. In the event that the number of shares required to fulfill the requirements of the election exceeds the total number of shares of stock designated for distribution, the trustee shall fulfill the requirement from the General Motors shares which the trustee is required to sell.

Du Pont will be ordered to give to each of its common shareholders of record, other than Christiana, Delaware and the shareholders of Delaware, on each annual distribution date for a period of ten years, an option to purchase a prorated number of the General Motors shares held by the trustee which are allocable to Christiana, Delaware and the shareholders of Delaware, and the General Motors shares deposited by Christiana with the trustee which are required to be sold during that year.

The trustee will be directed to sell at public or private sale any of the shares of General Motors stock with respect to which the options to purchase are not exercised by the du Pont common shareholders. Such sale shall be made

within one year after the date of expiration of the options, and the net proceeds paid to Christiana, Delaware and the shareholders of Delaware, according to their beneficial interests. The trustee may petition the Court for an extension of the one-year period if, in his opinion reasonable market conditions do not prevail.

The trustee may, at his own discretion, accelerate the time schedule for the sale of the shares of General Motors stock allocable to Christiana, Delaware and the shareholders of Delaware, and the General Motors stock deposited by Christiana with the trustee, by selling in any one year such additional shares of General Motors stock as he may determine can be disposed of at a fair price.

[fol. 3681] The trustee will be ordered and directed to submit reports to the Court, to the Attorney General, and to du Pont, General Motors, Christiana and Delaware, for each three-month period beginning with the date of entry of final judgment setting forth (a) the total amount of stock sold during each period, (b) the total amount of stock sold up to the date of the report, (c) the price received therefor, (d) the amount of any commission or brokerage fee paid to any person in connection with such sales, and (e) the names of any persons to whom 50,000 shares or more were sold.

The Court will retain jurisdiction for the purpose of enabling any of the parties or the trustee to apply to the Court at any time for such further orders and directions as may be necessary for the construction or carrying out of the final judgment.

"Trustee", as used in the proposed final judgment, "means the person or persons appointed by the Court under separate order in connection with this proceeding and authorized by such order to hold and to dispose of, pursuant to the terms of this Final Judgment, and such other orders from time to time entered by this Court, the General Motors stock which has heretofore been held by the defendants du Pont, Christiana and Delaware." Delaware has disposed of all the General Motors shares which it owned.

The letters dated December 18, 1957 and March 13, 1958 from the Department of Justice state that it is intended that the trustee will hold the certificates for the shares of General Motors stock as custodian for the owners and that title

will not pass to him; the owners will remain or will become (at the time of a dividend distribution of the General Motors stock) the holders of record of the General Motors stock. Du Pont will be ordered to declare annual stock dividends consisting of one-tenth of the stock to be distributed but the distribution will be made by the trustee. All dividends paid to the trustee by General Motors will be immediately distributed to the holders of record of the stock. The trustee will have no power to defer the payment of such dividends nor to determine the persons to whom they are to be paid. Any cash received by the trustee from the sale of General Motors shares pursuant to the proposed final [fol. 3682] judgment, will be promptly distributed and the trustee will have no power to reinvest such proceeds in other stock or property. Should General Motors distribute rights to buy its stock, the trustee will be required to sell any rights received by him and to distribute the proceeds therefrom to the shareholders of record.

The letter dated March 13, 1958 from the Department of Justice further states that the rights to buy General Motors stock (referred to in the proposed order as "options") will constitute non-assignable rights of first refusal and will expire within a period of time to be fixed by the trustee, not to exceed 15 days after issuance. The price at which the stock may be purchased will also be determined by the trustee.

Rulings are requested as to the tax consequences of the distributions and sales required to be made under the proposed final judgment.

Based solely on the information submitted, it is held that although designated as a "trustee" by the Court, such trustee, for Federal income tax purposes, will be considered an officer of the Court so designated for the purpose of distributing General Motors stock now owned by du Pont, distributing cash dividends received with respect to General Motors stock now owned by du Pont and Christiana and selling certain of such shares and distributing the proceeds thereof, all pursuant to order of the Court. No trust, as that term is defined in section 39.3797-3 of Income Tax Regulations 118 (applicable under authority of T.D. 6091, C.B. 1954-2,47) would be established.

Black's Law Dictionary defines a receiver as an indif-

ferent person between the parties appointed by the court to collect and receive the rents, issues and profits of land, or the produce of personal estate, or other things which it does not seem reasonable to the court that either party should do. In the instant case, the assets in the custody of the so-called trustee would be administered and distributed by the Court in much the same manner as a receivership.

Section 6012 of the Internal Revenue Code of 1954, provides in part that where a receiver by order of a court of competent jurisdiction has possession of or holds title to all or substantially all the property or business of a corporation, whether or not such property or business is being operated, such receiver shall make the return of income for such corporation in the same manner and form as corporations are required to make such returns.

[fol. 3683] Since the so-called trustee will not have possession of or title to substantially all of the property of either du Pont, Christiana or Delaware, such trustee will not be required to file Forms 1120 for such corporations.

The trustee will not be required to file information returns on Form 1099 with respect to any distributions of General Motors stock or cash dividends received on General Motors stock and distributed by him. See sections 39.148(a)-1 and 39.147-3(a) (2) of Income Tax Regulations 118 (applicable under authority of T.D. 6091, C.B. 1954-2,47).

Under section 4321 a tax is incurred on the tranfer of legal title to capital stock. Since it has been stated as a fact that legal title to the General Motors stock will not pass to the person referred to as "trustee", no transfer tax will be incurred upon the tranfer to such person of the General Motors stock now owned by du Pont and Christiana.

Since the trustee will be considered as acting only as an officer of the Court and also as an agent for the shareholders of du Pont (with respect to sales of fractional shares of General Motors stock), the requests for rulings relative to the trustee as a separate taxpayer will be disregarded. All rulings made hereinafter will apply as though the acts of the trustee had been performed by the principals. Therefore, it is further held as follows:

(1) All cash or other dividends (except stock dividends paid in General Motors stock or rights to buy General

Motors stock) received from General Motors by the trustee with respect to the General Motors stock deposited by du Pont and Christiana, will be treated as dividends under section 301(c) of the Internal Revenue Code of 1954, received pro rata by du Pont and Christiana on the date the distributions are received by the trustee. Dividends income will also be received by Christiana, Delaware and the shareholders of Delaware to the extent that General Motors distributes dividends to the trustee with respect to the General Motors stock allocable as dividends to these shareholders of du Pont, between the time the General Motors stock is considered to have been distributed to them and the time such stock is sold by the trustee. The amounts of the distributions will be determined under section 301(b) (1).

[fol. 3684] (2) The share holders of du Pont will not realize any income as a result of the grant, exercise, delegation or non-exercise of a proxy to vote any of the General Motors stock held by the trustee.

(3) The annual distributions of General Motors shares by the trustee to du Pont shareholders will be distributions of property under section 301(a). The shares of General Motors stock allocable to Christiana, Delaware and the shareholders of Delaware will be considered to have been distributed to them on the same date as distributions are made to the other du Pont shareholders. Therefore dividend income will be recognized to these shareholders to the same extent that it will be recognized to the other shareholders of du Pont.

(4) Under section 301(b)(1)(A), the amount of the distribution to any non-corporate shareholder of du Pont, including those who are also shareholders of Delaware, will be the fair market value of the General Motors common stock distributed to each such shareholder, including any fractional share to which a shareholder may be entitled. Fair market value will be determined as of the date of the distribution. (Section 301(b)(3)). The amount of the distribution to a non-resident foreign corporation will be the fair market value of the General Motors common stock, including any fractional share, dis-

tributed to such a shareholder. (Rev. Rul. 57-470, IRB No. 1957-42 dated October 21, 1957.)

As provided in section 301(b)(1)(B), the amount of the distribution to all other corporate shareholders, including Christiana and Delaware, will be the fair market value of the General Motors common stock distributed to such shareholder, including any fractional share, or the adjusted basis of the distributed stock in the hands of du Pont, whichever amount is the lesser.

[fol. 3685] (5) The amount of the distribution determined under section 301(b)(1) (the total of the amounts distributed to non-corporate shareholders, non-resident foreign corporate shareholders and all other corporate shareholders) will be treated as a dividend under section 301(c)(1) to the extent of du Pont's earnings and profits as defined in section 316. The amount of any distribution which is not a dividend, will be applied against the adjusted basis of the du Pont stock as provided in section 301(c)(2); and if in excess of the adjusted basis, the excess will be treated as gain from the sale or exchange of property in accordance with section 301(b)(3)(A).

(6) The basis of the General Motors common stock, including any fractional share, in the hands of a non-corporate shareholder of du Pont, including shareholders who are also shareholders of Delaware, will be the fair market value of such stock on the date of its distribution. (Section 301(d)(1) Likewise, the basis in the hands of a non-resident foreign corporate shareholder will be the fair market value on the distribution date. Under section 301(d)(2), the basis of the General Motors common stock in the hands of all other corporate shareholders, including Christiana and Delaware, will be the fair market value of the General Motors stock or its adjusted basis in the hands of du Pont, whichever is the lesser.

(7) Assuming that all amounts to be distributed to corporate shareholders of du Pont, other than non-resident foreign corporate shareholders, during the

ten-year period, will be the adjusted basis of the General Motors stock in the hands of du Pont (total of the adjusted bases is about $132,000,000 and market value about $2,250,000,000), du Pont's identifiable bases of specific shares of General Motors stock will be the amount of the distribution to a corporate shareholder and will become the basis of the General Motors shares in the hands of the corporate distributee provided that specific shares may be [fol. 3686] traced to a specific corporate shareholder. (Rev. Rul. 56-653, CB 1956-2, p. 185.) If specific shares may not be identified in the hands of any distributee, the distribution of all unidentifiable shares will be considered to have been made on a first-in first-out basis. (Section 1.1012-1(c)(1) of the regulations.)

(8) The holding period of the General Motors shares which will be distributed as a dividend, including any fractional share, will begin with and include the day following the date of receipt of such shares by each shareholder in whose hands the basis of such shares is market value. (E. T. Weir, 10 TC 996, affd. 173 Fed. (2d) 222.) Also see I. T. 3985, 1949-2 CB 51, relative to computation of the holding period.

Under the provisions of section 1223(2), the holding period of the General Motors shares, including any fractional share, distributed to a corporate shareholder in whose hands the basis of such shares is the adjusted basis of the shares in the hands of du Pont, will include the period du Pont held the shares.

(9) The fractional share of General Motors stock to which any shareholder of du Pont will be entitled, will be considered to have been distributed to the shareholder along with the whole shares and to have been sold by the shareholder. Therefore gain or loss will be recognized under section 1002, to a shareholder upon the sale of a fractional share of General Motors stock. Such gain or loss will be measured by the difference between the basis of the fractional share on the date of its distribution and the amount of cash received from the sale thereof.

The gain or loss to a non-corporate or non-resident foreign corporate shareholder will be short-term capital gain or loss and to all other corporate shareholders will be a long-term capital gain or loss provided that the General Motors stock is a capital asset in the hands of the particular shareholder making the sale. (Section 1201-1222 inclusive.)

[fol. 3687] (10) The earnings and profits of du Pont (to the extent thereof) will be decreased each year during the ten-year period by the sum of any cash (distributed in addition to General Motors shares) and the adjusted bases of the General Motors shares distributed in a particular year. (Section 312(a)) The distribution of the rights, ruled on hereinafter, will not affect the earnings and profits of du Pont.

(11) If the amount of all distributions, determined under section 301(b)(1), made by or on behalf of du Pont in a specific taxable year, exceeds du Pont's earnings and profits, as defined in section 316(a), it will be necessary for du Pont to determine the total amounts (cash plus General Motors shares) distributed to the two classes of shareholders i.e., shareholders who receive the General Motors stock at its market value and shareholders who receive the General Motors stock at its adjusted basis in the hands of du Pont. The amount that will be treated as a dividend under section 301(c)(1), will be the ratio of the earnings and profits of du Pont, as defined in section 316(a), to the total amount of the distributions made by or on behalf of du Pont during the taxable year. The ratio so determined will be applied to the total amount distributed during the taxable year to each shareholder of du Pont, whether corporate or non-corporate, to ascertain the amount that will be treated as a dividend to each distributee.

(12) The earnings and profits of a corporate shareholder of du Pont will be increased only by the amounts of the distributions which are includible in the gross income of the shareholder either as dividends or gains from the sale or exchange of property.

(13) No advance ruling may be issued as to the tax consequences to a shareholder of a transfer of du Pont stock between the date on which du Pont declares

[fol. 3688] a dividend and the date such dividend is paid, since a determination of the taxpayer to whom the distribution is taxable depends upon the facts and circumstances in each individual case. See Clarence W. Miller, et al., 247 Fed. (2d) 206.

(14) The annual distribution by the trustee to holders of du Pont's common stock, including Christiana, Delaware and the shareholders of Delaware, of one-tenth of the proportionate shares of General Motors stock, and the transfer of a full share of this stock (by paying in cash the difference between the market value of the fractional share and the market value of a full share as of the date of distribution), are subject to the transfer tax under section 4321.

(15) The distribution of the 63,000,000 shares of General Motors stock over a period of ten years will not qualify as a partial liquidation of du Pont under section 346 for the following reasons: The distribution will be essentially equivalent to a dividend; there will be no plan of partial liquidation under which stock of du Pont will be redeemed within the period provided in section 346(a); the distribution will not result in a contraction of the business conducted by du Pont; sections 1.346-1(c) and 1.355-1(c) of the regulations on the 1954 Code provide that the holding of stock for investment purposes is not a "business" within the meaning of section 346(b).

The distribution will not qualify as a tax-free distribution under any section of the Internal Revenue Code of 1954.

(16) Neither du Pont, Christiana, Delaware, nor the shareholder of Delaware will realize any income as a result of du Pont distributing to its shareholder, other than Christiana, Delaware and the shareholders of Delaware, rights of first refusal to buy the General Motors shares deposited with the trustee by Christiana and the portion of the 63,000,000 shares of General Motors stock allocable to Christiana, Delaware and the shareholders of Delaware.

[fol. 3689] (17) The transfer by the trustee of the General Motors stock to the shareholders of du Pont upon the exercise by the latter of their option, given pursuant to the court decree, to purchase the above-

specified shares, is subject to the transfer tax as imposed by section 4321. If the trustee sells the stock at public or private sale (as a result of the failure of du Pont's shareholders to buy such stock), transfer tax will be due under section 4321 on the sale of such stock by the trustee.

(18) The shareholders of du Pont will not realize any income either upon the receipt of rights of first refusal to buy General Motors shares from the trustee or upon the purchase of shares pursuant to such rights. No loss will be realized upon failure to exercise such rights. The basis of the General Motors shares so acquired will be the price paid. (Section 1012) The holding period of these shares will begin with the date on which they are acquired. (Section 1223(6))

(19) Gain or loss will be recognized to Christiana, Delaware and the shareholders of Delaware upon the sale by the trustee of the General Motors shares allocable to them as dividends from du Pont and to Christiana upon the sale of the General Motors shares deposited with the trustee by that corporation, as though the sales had been made by the corporations and individuals named. Such gain or loss will be capital gain or loss provided that the General Motors shares are capital assets in the hands of each taxpayer who is considered to be the seller.

Any change or modification of applicable statutes will render the rulings contained herein ineffective to the extent that they are dependent upon such statutes.

Very truly yours, Russell C. Harrington, Commissioner.

[fol. 3690] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil Action No. 49 C-1071

UNITED STATES OF AMERICA, Plaintiff,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, GENERAL MOTORS CORPORATATION, CHRISTIANA SECURTIES COMPANY, and DELAWARE REALTY & INVESTMENT CORPORATION, Defendants.

OPINION OF JUDGE WALTER J. LABUY—October 2, 1959

[fol. 3691] Appearances: Mr. George D. Reycraft, Mr. Eugene Metzger, Mr. Bill G. Andrews, Mr. Edmund D. Ludlow, and Mr. Paul A. Owens, Antitrust Division, Washington, D. C. on behalf of the Government;

Sidley, Austin, Burgess & Smith, by Mr. George Ragland, Jr., 11 South LaSalle Street, Chicago 3, Illinois, and Covington & Burling, by Mr. Hugh B. Cox, Mr. John Lord O'Brian, Mr. Charles A. Horsky, Mr. Daniel M. Gribbon, and Mr. Alvin Friedman, 701 Union Trust Building, Washington 5, D. C., on behalf of the defendant, E. I. du Pont de Nemours and Company;

Mr. Charles A. Rittenhouse III, and Mr. Irving S. Shapiro, on behalf of the Legal Department, E. I. du Pont de Nemours and Company; and Mayer, Friedlich, Spiess, Tier-[fol. 3692] ney, Brown & Platt, by Mr. Leo F. Tierney, Mr. Bryson P. Burnham, and Mr. Lee N. Abrams, 231 South LaSalle Street, Chicago 4, Ill., and Mr. Henry M. Hogan, and Mr. Robert A. Nitschke, General Motors Bldg., Detroit 2, Michigan, on behalf of the defendant, General Motors Corporation;

Kirkland, Ellis, Hodson, Chaffetz & Masters, by Mr. Howard Ellis, and Mr. Don H. Reuben, 130 East Randolph Drive, Chicago 1, Ill., Dewey, Ballantine, Bushby, Palmer & Wood, by Mr. Wilkie Bushby, Mr. Philip C. Scott, and Mr. Aram J. Kevorkian, 40 Wall Street, New York 5, New York, on behalf of the defendant, Christiana Securities Company and Delaware Realty & Investment Corporation;

[fol. 3693] Mr. Andrew J. Dallstream, Mr. Milton H. Cohen, and Mr. Burton R. Rissman, 231 South LaSalle Street, Chicago 4, Ill., Amicus Curiae with respect to the interest of the Stockholders of E. I. du Pont de Nemours & Co.;

Mr. Manuel E. Cowen, and Mr. Francis M. Clamitz, Associate Counsel, One North LaSalle Street, Chicago 2, Ill., Amicus Curiae with respect to the interest of the Stockholders of General Motors Corporation.

[fol. 3694] IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil Action No. 49 C-1071

UNITED STATES OF AMERICA, Plaintiff,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, GENERAL MOTORS CORPORATION, CHRISTIANA SECURITIES COMPANY, and DELAWARE REALTY & INVESTMENT CORPORATION, Defendants.

MEMORANDUM

On June 3, 1957, the Supreme Court of the United States held that the acquisition by E. I. du Pont de Nemours & Company of approximately 63,000,000 shares of common stock of General Motors Corporation violated Section 7 of the Clayton Act. It remanded the case to this Court "for a determination after further hearing of the equitable relief necessary and appropriate in the public interest to eliminate the effects of the acquisition offensive to the statute." (353 U.S. 586, 607.) The decision of the Supreme Court reversed the prior determination of this Court that the acquisition of stock of General Motors by du Pont did not violate Section 7 of the Clayton Act but did not review or reverse the findings of this Court that there had been no [fol. 3695] violation by any of the defendants of Sections 1 or 2 of the Sherman Act.

The defendants now before the Court, in addition to du Pont, include General Motors Corporation, Christiana Securities Company which owns 12,199,200 shares of

du Pont common stock, and Delaware Realty and Investment Company which owns 1,217,920 shares of du Pont common stock and 49,000 shares of common stock of Christiana. Christiana and Delaware's motion for dismissal of the appeal as to them was denied by the Supreme Court, with the direction that they be retained as parties "pending determination by the District Court of the relief to be granted." (353 U.S. 586, 608)

The Court appointed Andrew J. Dallstream amicus curiae to represent the interests of the stockholders of du Pont, and Manual E. Cowen amicus curiae to represent the interests of the stockholders of General Motors. Both are among the leading members of the Illinois bar. Mr. Dallstream is a past president of the Chicago Bar Association and a lawyer with vast experience in the field of corporate law and finance. Mr. Cowen is a Master of the United States District Court of the Northern District of Illinois, Eastern Division, and has had wide experience in corporate law. The order appointing the amici curiae provides that they study the various plans proposed by the litigants and conduct the necessary investigation in order to present plans and make recommendations to the Court.

On September 25, 1957 the Court held a pre-trial conference to determine the mode of procedure following the mandate of the Supreme Court. On October 25, 1957 the Government submitted its proposed final judgment. On May 14, 1958 du Pont filed its proposed final judgment. In June 1958 General Motors filed its objections to the final [fol. 3696] judgment proposed by the Government, but did not offer a form of decree. In August 1958 each of the amici curiae submitted proposed final judgments and detailed comments on the plans submitted. Prior to the trial which commenced on February 16, 1959, the parties took numerous depositions and submitted interrogatories.

Christiana and Delaware filed a motion to strike certain provisions affecting them from the final judgment proposed by the Government. The motion was argued orally before trial, briefs were filed, and the matter taken under advisement.

The Government's proposed judgment provides, in substance, (a) that du Pont, Christiana and Delaware deliver to a trustee to be appointed by the Court certificates repre-

senting the shares of General Motors stock held by them; (b) that the trustee deliver to each du Pont stockholder of record, other than Christiana and Delaware (Christiana owns 535,000 shares of General Motors and Delaware owns none)*, notices of meetings of stockholders of General Motors and proxies authorizing such stockholders to vote the shares of General Motors stock held by the trustee pro rata according to their holdings of the shares of du Pont stock, including the stock to be deposited by Christiana and Delaware; (c) that du Pont declare annually for ten years a dividend of one-tenth of the shares of General Motors stock held by it, or 6,300,000 shares per annum (there are about 1.38 shares of General Motors common stock allocable to each share of du Pont); (d) that the trustee sell the General Motors shares comprised in such dividends allocable to Christiana and Delaware and to persons who [fol. 3697] are stockholders of Delaware (approximately 2,000,000 shares per annum), within twelve months after receipt; (e) that du Pont, Christiana and Delaware be enjoined from acquiring any General Motors stock or exercising any control or influence over General Motors; (f) that du Pont and General Motors be ordered to terminate any agreement between them which provides (1) that General Motors purchase any specified percentage of its requirements of any product of du Pont, (2) that either grant to the other any exclusive patent rights, and (3) that General Motors grant to du Pont a first or preferential right to manufacture or sell any chemical discovery made by General Motors; (g) that General Motors and du Pont be enjoined from having any joint enterprise; and (h) that General Motors on the one hand, and du Pont, Christiana and Delaware on the other, be enjoined from having any common officer or director.

The Government proposal also provides that stockholders of du Pont (other than Christiana and Delaware, and persons who are stockholders of Delaware), will have the option to fill out any fractions of shares received as dividends into full shares by purchasing fractions out of the shares owned

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* There were no allegations in the complaint and no finding by the Supreme Court regarding these shares of stock of General Motors owned by Christiana.

by Christiana, Delaware and persons who are stockholders of Delaware held by the trustee and, further, that the stockholders of du Pont (other than Christiana, Delaware and persons who are stockholders of Delaware) are to be given fifteen-day options to purchase the shares owned by Christiana, Delaware and the stockholders of Delaware required to be sold annually by the trustee, all at an unspecified price or prices. Also, the trustee is given the right to apply to the Court to postpone any annual sale if, in his judgment, reasonable market conditions did not prevail, provided that such sales did take place before the end of the ten-year period. The proposed judgment further provides that reasonable market conditions shall not be deemed to exist [fol. 3698] if the price which can be realized at the time by the trustee is not sufficiently high to reflect the fair value and true worth of the stock. The proposed decree also provides that the trustee may, in his own discretion, sell in any one year more shares of stock than the shares received by Christiana, Delaware and persons who are stockholders of Delaware as a dividend for that year from du Pont.

The Commissioner of Internal Revenue ruled that under the Government's proposed judgment the annual dividends payable by du Pont in shares of General Motors stock would be taxable as ordinary income to the extent of du Pont's current earnings and accumulated earnings and profits. In the case of individual stockholders the Commissioner ruled that the amount of the dividend would be the fair market value (at the time of the hearing it ranged from $46 to $48 per share, and is now around $55 per share)* of the General Motors shares at the time of each annual distribution. In the case of tax paying corporate shareholders the amount of the dividend would be the lesser of the fair market value of the shares or du Pont's tax basis which is approximately $2.09 per share of General Motors. Such corporate shareholders would be taxed at the regular corporate rate after allowance of the dividends received deduction which would result in an effective rate of approximately 7.8% on the amount of the dividend re-

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*Thus, individuals would be taxed at rates from 20% to 91%, less dividend received credit, on the value of the shares received.

ceived. The Commissioner of Internal Revenue also ruled that gain on the sales of General Motors stock required under the Government's proposed judgment would be taxable to Christiana, Delaware and the stockholders of Delaware at the capital gains rate of 25%.

The position of du Pont is that the proposed Govern- [fol. 3699] ment decree would bring about disastrous tax consequences to stockholders of du Pont, and that the sales of General Motors stock by the trustee, the additional sales by du Pont stockholders which will be made to raise money with which to pay taxes, and the sales by existing holders of General Motors stock, would drastically reduce the market price of General Motors stock and cause disastrous losses to thousands of people who were innocent of any illegal act, that there would be also a drastic reduction in the market value of shares of du Pont stock, that there would be an adverse effect on General Motors itself and, possibly, an adverse effect on the whole stock market and the economy. Du Pont further took the position that it was unnecessary to require the divestiture of the legal title as proposed by the Government and that it was sufficient to divest du Pont of the votes on the General Motors shares owned by it and to "pass through" such votes to the ultimate stockholders of du Pont, Christiana and Delaware.

The decree proposed by du Pont provides for such a "pass through" of the vote. It also enjoins du Pont from acquiring any General Motors stock, except such stock as might be distributed in respect of the General Motors stock held by it or as might be acquired by the exercise of rights. It also enjoins du Pont from having as a director, officer or employee any person who is at the same time an officer or employee of General Motors, and provided that no person who is a director, officer or employee of du Pont may serve as a director of General Motors without the approval of the Court.

Christiana and Delaware filed comments on the Government proposal, taking substantially the same position as du Pont, but also taking the position that the Court was without power to grant relief against them, because no violation of the statute had been alleged in the complaint or found against them. Christiana and Delaware, however, [fol. 3700] consented to the decree proposed by du Pont so

far as it required them to "pass through" to their stockholders the votes on the General Motors stock received from du Pont or, in the case of Delaware, from Christiana.

General Motors filed its objections to the final judgment proposed by the Government. It also urged that it was not a party subject to the order of the Court and could not be ordered to do even the ministerial things proposed in the Government's decree.

The amici curiae filed separate comments which criticized certain features of the Government proposal and the du Pont proposal. The plans of the amici contained provisions for "passing through" the vote on the General Motors shares held by du Pont to the ultimate stockholders of du Pont, Christiana and Delaware. They also provided for an injunction against du Pont, Christiana and Delaware on the one hand, and General Motors on the other, having any common director, officer or employee.

The plans filed by both amici provided that no one who was an officer or director of du Pont, Christiana or Delaware, or spouse, or person living in his household, should exercise any "passed through" voting rights.

The plan filed by amicus Dallstream extended this prohibition to anyone employed by du Pont in selling automotive finishes or fabrics to General Motors. The plan filed by amicus Cowen extended the prohibition to any person who for a period of ten years prior to the decree had been an officer or director of du Pont, Christiana or Delaware. The plan filed by amicus Dallstream had an additional provision, similar to the injunction proposed in the Government plan regarding trade relations between du Pont and General Motors.

Both plans of the amici referred to possible federal legislation granting relief from income tax on the shares of [fol. 3701] General Motors distributed as a dividend pursuant to Court order and providing for application to the Court in such event for an amended plan. A bill providing for tax relief was introduced in Congress in 1958 and has been reintroduced during the current session, S. 200. The bill relieves from income tax any distributions made pursuant to a court order in an antitrust case. It is similar in theory to legislation which gave tax relief in the case of dispositions ordered by the Securities and Exchange Commis-

sion pursuant to the Public Utility Holding Company Act and in the case of dispositions ordered by the Board of Governors of the Federal Reserve System pursuant to the Bank Holding Company Act. While S. 200 provided for relief from the income tax on dividends, it would not grant relief from the capital gains tax on sales made pursuant to Court order. Other bills giving somewhat different forms of tax relief in antitrust cases were introduced in both houses of Congress before the first session of the 86th Congress closed, but no law was passed at the session.

The Dallstream proposal contains a program which has been termed in this proceeding a "takedown." In brief, under the takedown program du Pont would create a new class of common stock known as "du Pont Special Common" which would have no rights in the General Motors stock or its proceeds held by du Pont. The stockholders would be permitted to apply to the court from time to time for permission to exchange their present du Pont Common for a like number of shares of du Pont Special Common plus their allocable portion of General Motors shares owned by du Pont. Pursuant to order of the court the parties requested the Internal Revenue Service to issue a ruling as to the tax consequences of the provision for takedown. It was originally assumed by amicus Dallstream that the takedown plan would have essentially the same income tax [fol. 3702] consequences as a distribution made in accordance with the Government's proposal. However, the Internal Revenue Service has ruled otherwise in some respects. The particular merit of the takedown plan is that each du Pont shareholder could select the time at which to apply to the court for approval of an application to take down his allocable General Motors shares. Thus, each shareholder would have an opportunity over a period of years to select a time at which the takedown might be accomplished with the least unfavorable tax consequences. The ruling as issued by the Internal Revenue Service would permit the timing advantage as described above. The ruling as issued would, however, deny to corporate stockholders the 85% deduction for dividends received, and to other stockholders the $50 exclusion and 4% credit against tax for dividends received, with respect to the receipt of General Motors shares taken down.

Amicus Dallstream is filing with the Internal Revenue Service and the Treasury Department a request that the income tax regulations be amended to specifically provide that such intercorporate deduction be applicable to corporations, and that such $50 dividend exclusion and dividend credit be applicable to other taxpayers, who are allowed to take down, on the ground that such regulations as now construed violate the express provisions of the statute. It is urged by amicus Dallstream that the ruling as respects denial of the dividend relief provisions expresses an opinion in direct opposition to the established cases. Whether the regulations are so changed or not, or the ruling of the Department is ultimately sustained or overruled, nevertheless the takedown provision has further obvious advantages under the ruling now handed down which are not available if the Government plan were to be adopted.

First, any present or future purchaser of du Pont stock [fol. 3703] can exercise the takedown provision, if approved by the court, paying a tax on only the lesser of (a) the fair market value of the General Motors shares taken down, or (b) the excess of the sum of the fair market values at time of takedown of the General Motors shares and of the new du Pont Special Common received over his tax basis for the old du Pont Common surrendered. Recent purchasers of du Pont Common Stock who have a high cost could take down with very little tax cost by reason of that limitation.

Second, new purchasers of present du Pont stock exercising the right of takedown prior to any increase in market value would be able to take down the stock without tax consequences. For this reason, it can reasonably be expected that, in addition to the normal market, security dealers would engage in arbitrage transactions in du Pont and General Motors stock, which would create additional buying demand and would stimulate utilization of the takedown program.

Third, in the case of individual stockholders who die, assuming takedown was exercised by their estates shortly after death, the takedown would be without any or only nominal tax consequences; so that in the course of one generation most of the stock held by individuals might be expected to be exchanged under the takedown program.

Fourth, the so-called built-in tax liability to purchasers

in the event of the adoption of the Government plan described by many experts as likely to have depressing market consequences upon du Pont, would under the takedown plan, be limited solely to a tax on appreciation in value after the date of purchase.

The Government filed a memorandum replying to the criticisms made of its proposed judgment by the other [fol. 3704] parties and by the amici.* The memorandum of the Government offered no change in its proposed judgment but it did make certain suggestions as to how its proposed judgment might be modified. These suggestions included (a) an expansion of the period required for execution of the plan from 10 years to 20 years, (b) the distribution by du Pont of the General Motors stock in lieu of all or part of its regular cash dividend, and (c) the distribution by du Pont in one dividend of all the General Motors shares held by it. It appeared, however, that the Government's discussion of these suggestions was not intended to indicate that the Government was prepared to modify its plan in accordance with the suggestions or would consent to any such modification. At a later point in the hearing the chief counsel for the Government stated that he had no authority to propose or to consent to any change in the Government's proposed judgment.

Questions have been raised with respect to the power of this Court to grant relief against General Motors, Christiana, Delaware and the stockholders of Delaware, which should be considered at the threshold of this opinion.

General Motors contends that, since the Supreme Court has not found that it has violated Section 7 of the Clayton Act or any other provision of the antitrust laws, this Court is without power to grant any relief against it and argues

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*Along with its memorandum the Government filed a study by Alfred Boni, President of Boni, Watkins, Jason & Co., economic and management consultants of New York City, regarding the effect on the market prices of General Motors stock and du Pont stock if the Government proposed decree were put into effect. This study was not offered or received in evidence. Mr. Boni testified in the hearings, and portions of the study were put in evidence as exhibits through him.

that if the Court should grant relief it would violate funda-
[fol. 3705] mental constitutional principles of due process. The authorities cited by General Motors do not sustain this broad proposition. The fact that General Motors has not violated Section 7 of the Clayton Act is a relevant consideration in determining the nature of the relief that might be granted against General Motors but that fact does not lead to the conclusion that this Court is powerless to grant any relief against General Motors. The authority of the Court in this case is derived from Section 15 of the Clayton Act which clothes the Court will all the historical powers of a court of equity. The Supreme Court has held that in framing equitable decrees under the antitrust laws District Courts are given "large discretion to model their judgments to fit the exigencies of the particular case." The Court is of the opinion that in a proceeding under Section 7 of the Clayton Act in which it has been found that the acquisition of stock by one corporation in another violates the statute, a court of equity has power to grant such relief against the corporation whose stock has been acquired as may be necessary and appropriate in the public interest to eliminate the effects of the acquisition which have been held to be offensive to the statute. For this reason the Court concludes that the Court has the power to grant the kind of relief against General Motors which is provided for in later passages of this opinion. In the hearing on relief General Motors participated fully, cross-examining witnesses presented by other parties and presenting witnesses of its own, so that its procedural rights have been fully protected.

The contentions made by Christiana and Delaware raise a somewhat different problem. In support of their motion to strike the portions of the Government's proposed judgment which request relief as against them these corporations argue that the granting of relief against a party must be based upon a cause of action justifying relief, that no [fol. 3706] cause of action under the Clayton Act has been asserted against Christiana and Delaware and that the relief proposed against them cannot be granted on the basis of the Government's cause of action against du Pont. The Government on the other hand, relies on the proposition that relief may be had against any party to an antitrust action where dissipation of the effects of violation of the

antitrust laws requires such relief.* The Government also relies upon the Supreme Court's action in denying the motion of Christiana and Delaware to dismiss the appeal and retaining them as parties pending a determination of the relief that should be granted. A review of the authorities cited in support of these opposing legal contentions indicates that none of them deals with a situation that is comparable to the one now before the Court.

As in the case of General Motors, the answer to this question may be found in the broad discretion which is conferred upon the Court by Section 15 of the Clayton Act. Christiana and Delaware are parties and the Supreme Court has held that they are properly before the Court. It cannot be disputed that under Section 15 this Court possesses the authority to enter an order with respect to General Motors stock now owned by du Pont as may be appropriate and necessary to remedy the violation of the statute which the Supreme Court has found to exist. In the exercise of its authority the Court could enter a judgment which directly and substantially affects the rights [fol. 3707] and interests of Christiana and Delaware even though they have not been found guilty of violating any law. It follows, in my opinion, that this Court may grant certain kinds of ancillary relief against these two corporations, not because they have violated the statute but because the granting of the relief is an appropriate and necessary exercise of the power of this Court to frame a judgment which will effectively dissipate the consequences of the stock acquisition found to be unlawful. This is particularly true in the instant case where the absence of power to grant any kind of relief against Christiana and Delaware might leave the Court in a position where to discharge its duty it would be necessary to frame a decree which would entail harsh consequences to a large number of innocent parties and

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* The Government also argued that in fact relief against Christiana and Delaware is necessary in this case because of the stock relationship existing between the two companies and the du Pont Company. In this connection it also adverts to the finding made by this Court in its opinion after the trial in chief that the du Pont family "controls" the management of the du Pont Company.

would therefore to that degree be against the public interest and also offensive to justice.

The fact that the two corporations have not violated Section 7 should be taken into consideration in determining the nature and extent of relief that may be granted against them. Doubtless there are forms of relief which this Court should not, or perhaps could not, grant against Christiana and Delaware in view of the fact that they have not been found to have violated the antitrust laws. But this does not justify the broad conclusion that the Court has no power whatever to grant any relief that might affect the interests of the two corporations. The Court therefore concludes that it has power to grant the relief against Christiana and Delaware provided for later in this opinion.

The stockholders of Delaware who are also stockholders of du Pont are in a different position from either General Motors or Christiana and Delaware. They are not parties and are not before the Court. Some of these stockholders were originally named as defendants but were dismissed [fol. 3708] during the course of the trial in chief, in some instances with the consent of the Government. The Government did not appeal from the dismissals that were made without its consent. At no time during the course of the hearing on relief did the Government attempt to bring these shareholders before the Court either by resort to the procedures available to it under Rule 23 of the Rules of Civil Procedure or by other method, although the Government was on notice that the defendants contended that if any relief were to be granted against these shareholders they were indispensable parties and as such were entitled to notice and representation.

None of the parties before the Court has authority to speak for these stockholders. In view of the nature of the relief requested against these stockholders by the Government neither du Pont nor Delaware can be regarded as a representative of this particular group of stockholders. The Government seeks relief that touches the individual interests of these stockholders and not relief concerned with matters that are corporate in their character and it is only as to corporate matters that a corporation is normally regarded as representative of its shareholders. Furthermore, the relief requested by the Government would

discriminate between this particular group of stockholders and other stockholders of both du Pont and Delaware. There is therefore a potential conflict of interest between this particular group of stockholders and the other stockholders of Delaware and du Pont which disqualifies the corporations as representatives of this particular group of stockholders. *Baltimore, C. & A. Ry.* v. *Godeffroy*, 182 Fed. 525 (4th Cir. 1910) and cases cited therein. In these circumstances the Court holds that the stockholders of Delaware who are also stockholders of du Pont would be indispensable parties if the relief sought by the Government [fol. 3709] were to be granted directly against them and that since they are not parties that relief cannot be granted.

Under the mandate of the Supreme Court it is the responsibility of this Court to frame a judgment which will eliminate the effects of du Pont's acquisition of stock of General Motors which are offensive to the statute. The effect of the acquisition which the Supreme Court found to be offensive to the statute was the "reasonable probability" that the acquisition might result in restraint or monopolization of the market for automotive fabrics and finishes. 353 U.S. 586, 595, 607. Accordingly, the problem before this Court is one of devising a judgment that will effectively guard against the probability of restraint or monopolization which the Supreme Court found to exist.

The primary duty of the Court is therefore clear. But in the performance of this duty, particularly as it may involve a choice among different remedial measures that will be equally effective to achieve the statutory purposes, there are certain other considerations that should not be ignored. The property interests involved are immense. The 63,000,000 shares of General Motors owned by du Pont have a current market value of over $3,500,000,000. Any judgment that this Court may enter with respect to this stock will affect the interests of hundreds of thousands of persons in addition to the interests of the four corporations who are before the Court as parties. The record shows that at the time of the hearing there were over 230,000 individuals who were either direct or beneficial owners of du Pont stock. General Motors has more than 700,000 stockholders of record. Christiana has approximately 4,000 stockholders. Substantial amounts of the stock of all three of the corpo-

rations are owned by educational, religious and charitable organizations. In framing a judgment the Court should take into account the interests of all of these stockholders. [fol. 3710] The effect that a judgment in this case may have upon the lawful interests of the corporate defendants in their separate corporate capacities is of course a matter which the Court should consider in framing a judgment, but in the circumstances of this case it appears to the Court far less important than the interests of the many thousands of stockholders whose rights are directly involved. Under no theory can these stockholders be said to have participated in any violation or engaged in any improper conduct. Moreover, the Government itself cannot escape responsibility for the plight of these stockholders. At the time of the acquisition there existed a very small fraction of the present number of stockholders of the corporations involved. It waited some thirty years after the acquisition occurred before bringing this action. It should, therefore, recognize that stockholders who purchased du Pont in those intervening years had every reason to believe that du Pont's holding of General Motors was entirely proper and legal.

It was with these considerations in mind at the beginning of the hearing on February 16, 1959, this Court stated:

"The primary problems to be resolved through this trial is for the Court to promulgate a decree which will remedy the violation of Section 7 of the Clayton Act, without penalizing those who may become the innocent victims of this case, the stockholders and the beneficiaries in various trusts and institutions.

"Equity and justice demand that the decree protect the interests of this group lest they become the casualties of this litigation, for under no reasonable theory can they be accused of violating any provision of the antitrust laws.

"To redress a violation of law in this case is fairly simple, but to do it without punishing innocent people [fol. 3711] is the big problem here. During the delay of over thirty years before filing this lawsuit, the rights of over a million stockholders of these corporations have intervened, which greatly aggravates the Court's problem."

This does not mean that the private interests of the stockholders can outweigh the public interest in a judgment that will effectively dissipate the effects of the acquisition found to be unlawful. But it does mean that in the opinion of this Court the primary public purpose should be achieved so far as possible without inflicting unnecessary injury upon innocent stockholders in the various corporations involved. The purpose of the judgment should be remedial and not punitive. *Hartford Empire* v. *United States*, 326 U.S. 386, 409; *United States* v. *National Lead Co.*, 332 U.S. 319. No harsh and oppressive consequences should be visited upon the stockholders unless it can be shown on the facts that these results are inescapable if a decree is to be framed that will comply with the mandate of the Supreme Court. The cases leave no doubt that these are considerations which the Court should weigh in the framing of its final judgment. *United States* v. *American Tobacco Co.*, 221 U.S. 106, 185. Compare *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593, 604.

The defendants have suggested that in framing the judgment the Court should properly take into account that the question whether there was a violation of law was reasonably in doubt at the time of the challenged act. *United States* v. *United Shoe Machinery Corp.*, 110 F. Supp. 295, 348 (D. Mass, 1953), aff'd. 347 U.S. 521. It is true that the Supreme Court has recognized that in framing an antitrust judgment it is proper to consider whether the acts found to have violated the law "could reasonably have been thought permissible" at the time they were committed. [fol. 3712] *United States* v. *Gypsum Co.*, 340 U.S. 76, 89-90; *F.T.C.* v. *National Lead Co.*, 352, 419, 429. Although the Court believes that there might be cases in which this consideration would be of importance, the fact remains that in this case the Supreme Court has found the acquisition to be unlawful. The Court therefore approaches the problem on the assumption that the appropriate relief is that which is necessary to eliminate the effects of the acquisition offensive to the statute, notwithstanding that the acquisition might reasonably have been believed to be permissible when made.

In its opinion the Supreme Court recognized the fact that all concerned in high executive posts in both du Pont

and General Motors "acted honorably and fairly each in the honest conviction that his actions were in the best interests of his own company and without any design to overreach anyone, including du Pont's competitors." 353 U.S. 586. The Supreme Court thus accepted the detailed findings of this Court to the effect that in the commercial relations between du Pont and General Motors there was no fraudulent or improper conduct on the part of the officers and directors of both companies, and no overreaching of any kind. Here again, however, the Court concludes that these facts do not in any way mitigate or qualify the duty of this Court to frame a decree that will effectively remove and guard against the effects of the acquisition of the stock which have been held to be offensive to the statute.

Before referring to the evidence which was adduced at the hearing on relief there is another basic question which requires consideration.

The Government contends that in one important respect this Court has no discretion in the framing of its decree. It is the position of the Government that the Court must [fol. 3713] order a divestiture that will deprive du Pont of every aspect of ownership including even the bare legal title to the stock. If this contention is sound the question whether divestiture is in fact necessary in order to eliminate the effects offensive to the statute becomes immaterial because divestiture is a mandatory remedy even if some other form of relief would be equally effective, or even more effective, to remove the illegal consequences of the acquisition. By the same token, the fact that divestiture would inflict serious injury upon persons who were innocent of any wrongdoing would be immaterial. On this view of the matter the Court would possess discretion only as to the time and method of divestiture.

The Government bases this argument primarily on the provisions of Section 11 of the Clayton Act which prescribe the procedure to be followed by the Federal Trade Commission and other administrative agencies in enforcing the provisions of the Clayton Act. No court has ever construed or applied Section 11 of the Clayton Act in the sense contended for by the Government. On the contrary it has been held that divestiture is not a necessary remedy

under Section 7 and that measures other than divestiture may satisfy the requirements of the statute. *American Crystal Sugar Co.* v. *Cuban Sugar Co.*, 152 F. Supp. 387 (S.D. N.Y. 1957), aff'd 259 F.2d 524 (2d Cir. 1958).

It is not disputed that the jurisdiction of this Court to hear and to decide a case arising under Section 7 of the Clayton Act and to frame a final judgment in such a case is derived from Section 15 of that Act. Indeed it was this section which the Government invoked when it filed its complaint. It cannot be denied that Section 15 is identical in form with Section 4 of the Sherman Act which confers equity jurisdiction on district courts to hear and decide suits for injunctive relief under that statute. It has long [fol. 3714] been held that under Section 4 a district court has the traditional powers of a court of chancery. There can be no doubt that in cases arising under the Sherman Act the discretion conferred on a court of equity by Section 4 is not confined or restricted by any requirement that divestiture of ownership is a mandatory remedy. *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593, 603; *United States* v. *Minnesota Mining and Manufacturing Co.*, 96 F. Supp. 356, 358. The question raised by the Government's contention is therefore whether Section 11 of the Clayton Act reads into Section 15 of that statute a restriction on the court's exercise of discretion which is not explicitly provided for in Section 15 and which is admittedly not imposed by the provisions of Section 4 of the Sherman Act.

The words of Section 11 provide no support for the suggestion that it was intended to have any limiting effect upon the jurisdiction exercised by the District Court under Section 15. The Court finds it unnecessary to decide whether Section 11 imposes upon the regulatory agencies a mandatory duty to order divestiture in every case in which it is found that stock has been acquired in violation of Section 7. The parties have taken conflicting views on this question. The defendants have pointed to certain cases which they contend indicate that the regulatory agencies have not construed Section 11 as requiring mandatory divestiture of ownership. See particularly *I.C.C.* v. *Baltimore & Ohio Railroad Co.*, 183 I.C.C. 165, and *New York, Chicago & St. Louis Railroad Co. Control*, I.C.C. Finance

Docket No. 1788, report dated April 10, 1958, and order dated August 26, 1958). They have also referred to certain consent orders entered in F.T.C. proceedings, *In the Matter of the Vendo Company*, FTC Dkt. No. 6646 (1957); *In the Matter of International Paper Co.*, FTC Dkt. No. 6676 (1957); *In the Matter of Scoville Mfg. Co.*, FTC Dkt. No. 6427 (1956).

[fol. 3715] But even if it is assumed that Section 11 restricts the discretion of the regulatory agency it does not follow that the section similarly restricts the equity powers conferred on a district court by Section 15.

The particular sentence in Section 11 on which the Government relies is directed entirely to the procedure to be followed by an administrative agency in enforcing the provisions of the Clayton Act and does not even refer to the authority of the district courts under Section 15. Indeed the section as a whole does not refer in any way to the jurisdiction exercised by a district court under Section 15. To the extent that it deals with judicial power at all it refers to the powers of a circuit court of appeals to enforce or to review an order entered by an administrative agency. In this connection it is significant that the power given to a court of appeals when it reviews an order of an administrative agency is a broad power to enter a judgment "affirming, modifying or setting aside" the order of that agency. It is hardly to be supposed that if Congress had intended to limit the historic equity jurisdiction of the district courts to frame judgments it would have done so in a section which does not refer to those courts or that it would have used words which required the alleged limitation to be derived entirely from inference or implication.

The Government attempts to support its construction of Section 15 by reference to certain statements made in the Congressional debates when the Clayton Act was passed. These statements, which are not directed to the relationship between Sections 15 and 11 or to the particular point now under consideration are not persuasive or even relevant. They are entitled to no weight as against the statements in the reports of the committees recommending passage of the Clayton Act which make it clear that Section 15 was intended to confer upon the courts the same kind of equi-

[fol. 3716] table jurisdiction to enforce the Clayton Act

that they possessed and exercised under Section 4 of the Sherman Act in cases arising under that statute. S. Rep. No. 698, 63rd Cong., 2d Sess. pp. 17 and 50 (1914), and H. Rep. 627, 63rd Cong., 2d Sess. p. 21 (1914).

To adopt the interpretation of Section 11 advanced by the Government would lead to an extraordinary result. In terms of the present case it would mean that although the Court has no choice but to order divestiture in a proceeding under Section 7 of the Clayton Act, which involves only a probability of restraint or monopolization, it would have complete choice of remedies and would be under no mandatory duty to divest if there had been a violation of the Sherman Act rather than the Clayton Act and the Court had found either that du Pont's stock interest in General Motors was a combination or conspiracy that had restrained trade in violation of Section 1 or that du Pont had used its stock interest to achieve a monopoly position in violation of Section 2. Such a distinction in the powers of an equity court would be arbitrary and illogical and the Court finds nothing in Sections 11 and 15 to suggest that it was intended by Congress. Indeed the legislative reports cited above strongly indicate the contrary.

The Government also takes the position that the opinion of the Supreme Court in this case shows that divestiture is a mandatory remedy. The Court finds nothing in the language of the Supreme Court that appears to support this contention. Instead the Court speaks of the "large discretion" possessed by a district court to model its judgment "to meet the exigencies of the particular case". (353 U.S. 608) These words would hardly be appropriate if the Supreme Court had intended to hold that this Court was under a mandatory duty to order divestiture.

[fol. 3717] Under Section 15 this Court has unqualified authority to order complete divestiture if it decides that in the particular circumstances involved that is an appropriate remedy and is required to achieve the purposes of the statute. But it is not compelled to direct divestiture or to direct any particular form of divestiture if it determines that there is an alternative form of relief. In the exercise of its authority under Section 15 the Court has the authority to adopt a form of relief other than divestiture, or to order divestiture of some but not all of the incidents of owner-

ship if it decides on the facts that these alternatives are more equitable and will effectively carry out the direction of the Supreme Court to eliminate the effects of the acquisition offensive to the statute.

In this connection the Court observes that in many instances both the Department of Justice and the Federal Trade Commission have consented to the entry of judgments under Section 7 of the Clayton Act which have not called for divestiture of the stock or assets acquired in violation of that section. See, e.g., *United States* v. *Schenley Industries, Inc.*, CCH Trade Cases, Para. 68,664 (D. Del. 1957); *United States* v. *General Shoe Corp.*, CCH Trade Cases, Para. 68, 271 (D. Tenn. 1956); *In the Matter of Union Bag & Paper Co.*, FTC Dkt. No. 6391 (1957); and *United States* v. *Hilton Hotels Corp.*, CCH Trade Cases, Para. 68,253 (N.D. Ill. 1956). Furthermore, so far as this Court is aware, this is the first case in the period of over 40 years during which the Clayton Act has been law in which the Government has advanced the contention that a district court acting under Section 15 of the Clayton Act lacks the traditional authority of a court of equity and must order divestiture upon a finding of a violation of Section 7.

The Government presented its evidence on twelve hearing days between February 17 and March 16, 1959. The [fol. 3718] defendants and the amici presented their evidence on twelve hearing days between March 16 and April 1. The Government presented its rebuttal on four hearing days, April 6, 7, 8 and 9. The Court then gave the Government twenty days to file a brief, and the defendants twenty days thereafter, the amici ten days thereafter, and the Government ten days thereafter to reply, so that the case was submitted to the Court in June, 1959.

In considering the decree proposed by the Government, an important factor is the impact of taxes. The Government attorneys displayed their sensitivity on this point by introducing testimony regarding devices whereby individual stockholders of du Pont might seek to avoid the tax impact.

A member of an accounting firm testified, over objection, that stockholders might form corporations of various types to which they would transfer their shares of du Pont. Such corporations would then receive the General Motors shares

distributed by du Pont as dividends under the Government proposed decree and, under some of the devices retain them and, under other devices, in turn, distribute the shares as dividends. These devices, if valid, would tend to minimize the taxes. However, it appeared that Government counsel had discussed the devices with lawyers in the Internal Revenue Service and there was doubt whether the Internal Revenue Service would recognize such devices as having substance. Further, Government counsel refused to state whether or not they would accept such devices from an antitrust standpoint or would attack them under the antitrust laws. The Court does not think that such devices can be seriously considered unless and until they are tendered as a plan acceptable to the Government and have been ruled on from a tax standpoint by the Internal Revenue Service. [fol. 3719] The defendants moved to strike this testimony as to domestic law as inadmissible. It would be in an ordinary lawsuit, but in this kind of proceeding it is informative to the Court, and the motion was denied.

Under the ruling of the Internal Revenue Service (Amicus Dallstream Ex. 2) there can be no avoiding the conclusion that the tax impact by reason of the distributions of 63,000,000 shares of General Motors stock by du Pont will be crushing in the case of individuals and trusts. They will be taxed at rates varying from 20% to 91% (less dividend received credits) by the Federal Government on the receipt of shares having a current market value of $45 or $55 per share. Whatever the value, or whatever the rate, these individuals will lose a large portion of their investment in General Motors through du Pont. In many instances there will also be state income taxes imposed. Many du Pont stockholders reside in the following states, with the income tax rates indicated: California (1% to 6%), Delaware (1½% to 8%), Massachusetts (7.38%) and New York (2% to 10%).

No doubt there are investors who purchased du Pont having in mind that, while they were acquiring an interest in the leading company in the chemical industry, they were also acquiring shares of stock in the leading company in the automotive industry. It would be grossly unfair to impose such a penalty on thousands of innocent persons. Section 7 of the Clayton Act is not a "penal statute". This

is simply a remedial section. It contains no penal sanctions such as there are relating to certain other sections of the antitrust laws.

There are approximately 185,000 stockholders of record of du Pont. There are, of course, in addition many others whose stock is held in the name of banks or brokerage firms [fol. 3720] or who are beneficiaries of trusts owning du Pont stock. All of these persons would be taxed on the same basis as if they were direct owners of du Pont stock. Testimony and exhibits were introduced by Dr. Benjamin Tepping of National Analysts, Inc., an independent statistical research organization. This organization conducted a survey of du Pont stockholders for the purpose of determining the tax-paying characteristics of such stockholders and of estimating the additional income taxes that would be payable if the Court were to accept the Government's proposal. The National Analysts' survey was conducted on the basis of probability sampling. This is a method of sampling by which on the basis of data obtained from a sample of the group under examination estimates can be made as to the result that would be obtained if a complete census of the entire group had been undertaken. The particular utility of probability sampling is that through the use of mathematical formulae the margin of error between the results of the sample and the results that would be obtained from a complete census can be ascertained.

Dr. Tepping was able to include within his survey the individual holders of some 16,000,000 shares of du Pont stock (out of a total of some 45,000,000 shares) and to estimate for such holders the effective rate of tax and the additional taxes that would be payable if the Government's proposed judgment were accepted by this Court. In addition Dr. Tepping stated as his expert opinion similar estimates for the owners of an additional 9,000,000 shares of du Pont stock, basing these estimates very largely upon an extension of the results obtained in the sample survey. His testimony, in summary, was that these two groups of individual owners of du Pont stock would pay income taxes at the rate of between 55% and 60% if the Government's proposal were accepted and that the additional in- [fol. 3721] come taxes payable by such owners upon receipt of the General Motors shares in accordance with the Gov-

ernment's plan would total as much as $1,000,000,000 over the ten year period if the General Motors stock were to have a value of approximately $50 a share and would total approximately $770,000,000 over the same period if the General Motors stock were to have a value of about $40 a share.

The Court is satisfied that the National Analysts' survey was conducted on an objective basis and that the procedures used were in accordance with accepted standards recognized in the field of statistical surveys. The evidence shows that care was taken to simplify the questionnaires used to the extent possible in light of the fact that the subject matter—Federal income tax—is inherently complicated. At the trial the Government moved to exclude the testimony of Dr. Tepping and the exhibits introduced by him on the ground that the underlying data constituted hearsay evidence. The Court overruled the motion and at the conclusion of the trial it was renewed by the Government.

If the issue before the Court were the precise amount of income taxes to be paid by the du Pont stockholders in the aggregate or by individual classes of du Pont stockholders, there might be merit to the Government's contentions. But that is not the issue. The court is satisfied that the estimates are sufficiently reliable to indicate the order of magnitude of the income taxes that would be occasioned by adoption of the Government's proposal. Accordingly, the Government's motion is overruled. In this connection the Court observes that in its reply brief with respect to this motion the Government states:

> "It has never been any secret throughout this proceed-
> [fol. 3722] ing that the proposed distribution of General Motors stock would be taxable to the stockholders. A bill has been introduced in the Congress concerning this matter. This is a matter of law so obvious that the Court is not even required to take judicial notice of it. If the only use to be made of these survey results were to allow the Court to consider them for whatever they are worth, the Government would not object."

The practical question before the Court is whether it will be better able or less able to frame a decree to carry out the mandate of the Supreme Court by excluding Dr. Tepping's testimony and evidence. To this question the Court believes there is but one answer. It cannot perceive how the interests of the Government can be prejudiced by acceptance of this testimony on the basis and for the purposes described above. Moreover, there is ample precedent for the use of such evidence. The magnitude of the taxes occasioned by the Government's proposal is certainly an important element in this case and all of the parties, including the Government, should be anxious to provide the Court with the best available information. The evident care and objectivity with which the survey was conducted, and which were not criticized by the Government's own statistical expert, assure a high degree of trustworthiness. The record discloses that various agencies of the Government itself have used surveys of this type and indeed have employed this same organization, National Analysts, Inc. Support is also found for the competence and trustworthiness of sample evidence in the following court decisions: *United States* v. *Aluminum Company of America*, 35 F. Supp. 820, 823-24 (S.D. N.Y. 1940); *United States* v. *United Shoe Machinery Corp.*, 110 F. Supp. 295, 305-06 (D. Mass. 1953); *United States* v. *E. I. du Pont de Nemours & Co.*, 118 F. [fol. 3723] Supp. 41 (D. Del. 1953); *United States* v. *National Football League*, 116 F. Supp. 319 (E.D. Pa. 1953); *State Wholesale Grocers* v. *Great A. & P. Tea Co.*, 154 F. Supp. 471 (N.D. Ill. 1957). It further appears that in only one recent case has such sample evidence been rejected and in that case certain survey findings offered by the Government were excluded because they utilized arbitrary methods and classifications not recognized in the industry under study. *United States* v. *Brown Shoe Co., Inc.*, Civil No. 1527 (3) (E.D. Mo. 1958). Neither of these objections has application to the survey of the National Analysts.

Mr. David M. Kennedy, Chairman of the Board of the Continental Illinois Bank and Trust Company of Chicago and also Chairman of its Trust Committee, presented an estimate that beneficiaries of trusts in its Trust Department holding du Pont stock were on the average in the 50% to 60% bracket. Mr. Thomas H. Beacom, Vice President

in charge of the trust Department of the First National Bank of Chicago, estimated that the beneficiaries of the trusts in his bank holding du Pont stock would be taxable at an average rate of 51.7%.

Whatever disagreement may be had with these estimates regarding the tax brackets of individual and trust beneficiary stockholders of du Pont, there can be no doubt that du Pont stock, selling for $200 a share or more (now $250 a share), is held in many instances by people of substantial income, and that the tax impact would be very serious as to them. Seventeen individual stockholders of du Pont and General Motors in various walks of life testified regarding their family holdings, their taxes and their intention as to selling or not in case the Government plan were put into effect, as summarized below:

[fol. 3724]

Witness	Residence	Status	Holdings	Additional ann. taxes or bracket	Intention
Paul H. Kuhns	Ponca City, Okla.	Retired Cont. Oil	50 du P. 60 G. M.	$60	Sell both
F. A. Christensen	Wash., D. C.	Retired Mfrs. Rep.	600 du P.	47%—$1,126	Sell both
A. B. Moran	Detroit, Mich.	Investment broker	964 du P.	47%—$2,074.80	Sell G. M.
Claude E. Holland	Beaumont, Tex.	Insurance agent	250 du P. 630 G. M.	59%—$761	Give away du P. to children
Mrs. W. C. Bedell	Poughkeepsie, N. Y.	Wife of surgeon	15 du P. 33 G. M.	30%—$21.52	Keep both
Wm F. Schwenke	Schererville, Ill.	Du P. Dept. supervisor (about to retire)	131 du P.	26%—$187	Sell G. M.
Harold A. Roscoe	Highland, Ind.	Du P. engineer	41 du P.	26%—$57	Keep both
Raymond J. Covert	Griffith, Ind.	Du P. Asst. Supt.	62 du P.	22%—$75	Keep both
Norman R. Wallner	Lansing, Ill.	Du P. Chem. Engineer	30 du P.	22%—$35	Keep both
Henry L. Payte	Jersey City, N. J.	Tax accountant (retiring)	40 du P. 341 G. M.	30%	Sell 30 du P.; sell G. M. received as dividend; undecided as to G. M. now owned
Maxwell Turner	Fall River, Mass.	Auctioneer	60 du P. 210 G. M.	22%	Sell both
Elizabeth Babbitt	Chicago, Ill.	Writer	630 du P.	30%—$896	Sell G. M.
Walter F. Pond	Greybull, Wyo.	Geologist	60 du P. 300 G. M.	34%	Undecided
Leon A. Miller	St. Petersburg, Fla.	Retired engineer	160 du P. 126 G. M.	22%—$158	Undecided
Richard C. Peter	Louisville, Ky.	Manufacturers agent	692 du P. 412 G. M.	43% plus 8% Ky. $1,298 addl. Fed. taxes	Sell G. M. to pay tax
Archie J. Marschak	Chicago, Ill.	Bank asst. vice pres.	66 du P.	34%	Sell G. M.
Harvey H. Arndorff	Chicago, Ill.	Investment banker	Trustee for elderly woman of 1,000 du P.	84%—$4,636.80	Sell du P.

[fol. 3725] It was assumed for the purpose of the above testimony that General Motors would have a market value of $40 per share when distributed. Most of the above stockholders expressed the opinion that they would not get the fair value of the shares which they would have to sell because of the race to get into the market.

The shocking tax impact* would impel the Court not to order a distribution of General Motors stock by du Pont, if any other means of removing the effects offensive to the statute are available, and there are such means.

In case tax legislation, such as S. 200, were to pass, this tax result from ordering a distribution would, of course, be eliminated.

The Government proposed decree also calls for the sale by a trustee of the General Motors stock received through dividends by Christiana and Delaware, as well as the 535,500 shares of General Motors owned by Christiana. Christiana owns 12,199,200 shares of du Pont. Delaware owns 1,217,920 shares of du Pont and 49,000 shares of common stock of Christiana. Under the Government plan Christiana would receive 16,805,684 shares of General Motors and Delaware would receive 1,677,813 shares of General Motors. Accordingly, including the 535,500 shares owned by Christiana there would be sales of stock owned by the two corporations amounting to 19,018,997 shares. The tax base for such General Motors shares is $2.09 a share (except that for the 535,500 shares owned by Christi- [fol. 3726] ana it is $9.01 per share). Any proceeds of such sales in excess of those base figures per share would be subject to a capital gains tax of 25%. The market value of General Motors stock at the time of the hearings was $46 per share. If that figure were realized, the capital gains tax impact on Christiana would be $183,351,000 and on Delaware would be $17,831,000 or a total of $201,182,000. In addition, there would be dividend taxes of $3,021,000.

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* It was testified by Dr. Jacoby (whose testimony is discussed below) that as an economic matter the tax was a capital levy and that this penalty would not fall equally on shareholders of du Pont according to their holdings of shares of du Pont, but the penalty would be different on each, depending on the tax brackets of the various stockholders due to other income.

Even if much less were realized, because of a decline in the market value of General Motors, the tax impact would still be staggering.

There are over 4,000 stockholders of Christiana and Delaware, including many charitable and educational institutions. (See Pages 51-52 for a list of many such institutions.) There is no finding of violation of any law against either Christiana or Delaware or their stockholders and, again, it would be unjust to impose this loss upon them. The Court is not aware of any proposed legislation which is receiving serious consideration in the Congress, designed to give relief from taxes on the gains from such sales. Consequently, the Court would not order the sale of shares owned or received by Christiana and Delaware, if there were any other means of eliminating the condition offensive to the statute. There are such means.

As previously stated, in its memorandum of September 26, 1958 the Government suggested a stretch-out of its plan over a twenty-year period as against a ten-year period. This would not change the tax impact on the individual shareholders of du Pont, but simply spread it out over a longer period. Nor would this change the tax impact on Christiana and Delaware and their stockholders of sales by the trustee. It would simply spread out the impact over a longer period.

Also, the Government memorandum made the suggestion that du Pont might make a single distribution of the [fol. 3727] 63,000,000 shares of General Motors and pointed out that, under present tax laws, the total value of the General Motors shares would not be taxed to the recipients as a dividend, but only that portion representing the accumulated earnings and surplus of du Pont. Schedules were introduced by du Pont showing the tax impact of such a distribution on individuals and trust beneficiaries, and assuming a market value of $45 per share for General Motors stock. The total figure was $588,044,000. These figures would not indicate that a single distribution by du Pont would eliminate the severe tax impact of the Government proposed decree.

The economic consequences of the Government proposed decree to be considered are the effect on the market price of General Motors common stock, on the market price of

du Pont common stock, and on General Motors Corporation itself, that is, its ability to finance its operations during the ten-year period of the Government decree.

If there is a drastic decline in the market value of General Motors stock; this will affect the stockholders of du Pont who sell their General Motors shares to raise money to pay taxes, Christiana and Delaware and their stockholders through losses on the sale of their General Motors shares by the trustee, and existing stockholders of General Motors who feel forced to sell or who have General Motors pledged as collateral, or who have General Motors in portfolios which must be carried in their reports at market value.

If there is a drastic decline in the market value of du Pont common stock, this will have an impact on the stockholders of du Pont, both individuals and trustees, who feel forced to sell to avoid the problems and the tax consequences of constant receipt of General Motors shares as a dividend. It will also have a direct effect on Christiana [fol. 3728] and Delaware and their stockholders, and on other stockholders of du Pont who have the stock pledged or in portfolios which must be marked to the market.

If there is a drastic decline in the price of General Motors common stock, this could interfere with the ability of General Motors to do financing during the ten-year period of the Government proposed decree.

The Government called witnesses to give three types of testimony on this phase of the case designed to show that the Government's proposed decree would have little impact on the market prices of General Motors stock and du Pont stock.

One type of evidence was to the effect that there was considerable investment money coming into the market regularly. (The other two types which will be discussed later were (a) testimony of analysts and statisticians, and (b) testimony regarding offerings of securities of various types which had been made in recent years.) But there was no convincing evidence in this category that any substantial portion of this investment money would be directed to buying General Motors stock at the true value of the stock, if the Government decree were in effect.

Mr. John J. Scanlon, Treasurer of American Telephone

& Telegraph Company, testified that the Bell System pension plans expected to invest $15,000,000 to $20,000,000 a year in equity securities, but that the trustee of the trusts had a policy of diversification, so that only a small amount of this would go into any one common stock.

Mr. Edward G. Kinloch, Manager of the Trust Investments Operations Department of General Electric Company, testified that 25% to 30% of the $75,000,000 to $80,000,000 invested annually by its pension trusts would go [fol. 3729] into equities, but only 4% of the money for equities would go into automotive stocks, and less than half of this into General Motors, even under present conditions. This would amount to less than $400,000 per annum. Mr. Kinloch also said that, if the trustee sales called for by the Government plan were to take place, he would be somewhat cautious and whether he would make any purchases of General Motors stock would depend on market conditions.

Dr. James J. O'Leary, Director of Economic Research of the Life Insurance Association of America, said that, according to a study he had made for a committee of the Senate, twenty-five life insurance companies, owning 85% of the common stocks held by insurance companies, made net purchases between January, 1953 and September, 1955 of only $7,700,000 of common stocks. He testified that the insurance companies had to diversify their common stock investments and, therefore, could put no great amount in any one stock. He also said that, assuming the Government proposal were put into effect, the insurance companies would be inclined to buy General Motors if that stock declined in price sufficiently.

Mr. Harold S. Oberg, Research Director of the National Association of Investment Companies, testified these companies made net purchases of over $1,000,000,000 in common stocks in 1958, but he did not know whether they purchased General Motors stock, and said they all had a policy of diversification so as to limit investments in any single stock.

Mr. Dudley A. Hall, of the Boston Management Research Company, testified as to investment of college endowment funds in common stocks, including Christiana, du Pont and General Motors, as shown by surveys of his Company. The surveys showed that the amount invested by colleges in

[fol. 3730] these three companies' stocks had decreased substantially between June 30, 1957 and June 30, 1958.

Mr. George E. Johnston, Chairman of the Board of Equity Annuity Insurance Company, testified that although life insurance companies had over $101 billion dollars in total assets, they had invested less than 4% in common stocks. He said that the sale of variable annuities by life insurance companies might expand, but that depended on a pending case in the Supreme Court and on legislation;* and that, while funds behind variable annuities would be invested in common stocks, there would be a policy of diversification as between industries and as between companies within an industry.

Mr. Clarence Stanley, Vice President and Pension Coordinator of General Motors Corporation, testified that the General Motors pension trusts held only $5,330,000 of General Motors common stock, representing .68% of the combined assets of the trusts.

Mr. Vito Natrella, Chief Economist of the Trading Exchanges for the Securities and Exchange Commission, testified as to the large amounts of stocks in the hands of various types of investors. He said that his figures did not show that a particular institution would buy any particular stock at any particular time.

Dr. Roger F. Murray, Professor of Finance at the Columbia University Graduate School of Business, testified that pension funds would regularly invest 1⅔% of the money [fol. 3731] invested in equities in common stock of General Motors. However, this testimony must be considered against that of an active administrator of large pension funds, Mr. Kingsley Kunhardt, Vice President in charge of the Investment Department of Guaranty Trust Company of New York, administering 217 pension funds with assets of $2,000,000,000. Mr. Kunhardt, who testified for du Pont,

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* Since this testimony the Supreme Court of the United States has decided the case referred to adversely to the insurance companies, holding that sale of variable annuities would have to be registered with the S.E.C., under the Securities Act of 1933 and under the Investment Company Act of 1940, *S.E.C.* v. *Variable Annuity Life Ins. Co.*, 359 U.S. 65, March 23, 1959.

said that Guaranty Trust Company would not put any fixed portion of pension funds into General Motors stock. He testified that if the Government plan were put into effect the trust company would be a buyer of General Motors stock for pension trusts only at a greatly reduced price.

Mr. Carrol Shanks, President of Prudential Life Insurance Company, testified that his company would like to get into the variable annuities business and was supporting legislation to that end, but that it would be fairly slow going and the money that would go into variable annuities would be diverted from other types of savings, among them direct stock purchases in the market.

Mr. Jack Morgan, Comptroller of the Savings and Profit Sharing Pension Fund for Sears, Roebuck & Co., said this fund now has assets of over $1,000,000,000, 10.6% of which are in common stocks but that the fund owned no General Motors stock.

Mr. Edward T. McCormick, President of the American Stock Exchange, testified that institutional investors should grow to be a very substantial factor in the market.

In its brief of April 29, 1959 and accompanying proposed findings, the Government contends that, if General Motors purchased stock for its bonus plan, savings plan and stock option plan from the trustee for Christiana and Delaware, this would absorb all the shares offered by the trustee and would not disturb the market. The Government points [fol. 3732] out that the General Motors stock purchased in recent years for the bonus plan has amounted to 1,000,000 shares per annum, that the trustee for the Savings Plan has purchased in the last three years about 1,000,000 shares of newly issued General Motors stock per annum, and that there are outstanding options under the option plan to purchase 368,859 shares, first exercisable September 18, 1959.

The buying of stock in the market for the bonus plan is already a factor in the market and to withdraw it from the market to shift it to purchases from the trustee for Christiana and Delaware would not add any new demand to offset the increased supply of General Motors stock which would be offered by the trustee and others as the result of the Government proposal.

As to purchases of General Motors stock for the savings plan, the Board of Directors of General Motors has chosen

so far to have the trustee for the plan purchase newly issued shares from General Motors, which is a continuing source of capital funds to the Company. The Court doubts the propriety of attempting to dictate the financial policy of General Motors by reason of the finding of a violation of Section 7 of the Clayton Act by du Pont.

The amount of stock for which options are outstanding is too insignificant in relation to the problem here to warrant discussion.

This type of evidence does not have any substantial probative force to indicate that any demand for General Motors stock would spring up to counterbalance the increased supply in the market which would be created directly and indirectly by the Government's proposed decree.

The second type of evidence adduced by the Government [fol. 3733] relating to the impact of the Government proposed decree on the market prices of General Motors and du Pont stocks was the testimony of statisticians and analysts in the academic or professional field. These men were Dr. Roger Murray of Columbia, previously referred to, Dr. Erwin Friend, Professor of Economics and Finance at the University of Pennsylvania and Mr. Alfred Boni, the author of the study filed with the Government memorandum of September 26, 1958. In rebuttal Mr. Paul L. Howell, an economist, also testified for the Government.

These men each testified that they had never been in the underwriting business and had no experience in the marketing of stocks or other securities. They placed their reliance on charts and statistics. But there were no charts and statistics relating to any situation remotely approaching the forced sale of 2,000,000 shares of General Motors stock every year for ten years, accompanied by other sales for tax purposes by recipients of General Motors stock as a dividend, and other sales by existing holders of General Motors stock. Nor did these charts or statistics encompass any market situation such as that relating to the du Pont stock under the Government plan where many present holders would decide to sell and take a capital gain rather than incur the ordinary income taxes on the General Motors stock to be distributed to them, and any potential individual purchaser of du Pont stock would be faced with buying a tax liability if he made the purchase.

Dr. Murray testified that he would defer to the judgment of investment bankers as to the price which the trustee would obtain for the General Motors stock. Dr. Friend agreed that there had never been anything in the past comparable to the sales contemplated by the Government plan. He also testified that an increase in supply in stock of 10% had in the past brought about a decline in price of [fol. 3734] roughly 5%, that an increase of 20% had been associated with price declines of between 10% and 15%. There was no testimony by Dr. Friend as to the effect of an increase in supply of 30%.

The Government plan provides for an increase in supply of 30%. Du Pont owns about 23% of General Motors outstanding common stock, making the present supply not more than 77% of the outstanding stock. 23%, the increase in supply following distribution by du Pont, is about 30% of the 77%, the existing supply.

Mr. Boni's testimony was devoted principally to asserting that "volume" of transactions in a stock did not have any co-relation to price movements in the stock. The fallacy of this testimony is that volume of transactions is not the same thing as increase in supply without an increase in demand. Furthermore, Mr. Boni's testimony was based solely on the assumption that the sales by the trustee under the Government plan would take place by several brokers to be employed by the trustee in the auction market on the floor of the New York Stock Exchange,* whereas the testimony of all the investment bankers was that the only practical way of making the sales would be in a secondary offering off the floor of a stock exchange by a nationwide syndicate of underwriters, including large underwriting houses not members of the New York Stock Exchange, and with a spread several times the amount of an ordinary stock exchange commission.

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*There was testimony from an experienced broker to the effect that an attempt to sell 2,000,000 shares of General Motors on the floor of the New York Stock Exchange through brokers employed by the trustee would so disorganize the market that the specialists would call in floor members of the Board of Governors, and the Board of Governors would stop the sales and recommend that they be made through a secondary distribution off the floor.

[fol. 3735] Therefore, this type of testimony adduced by the Government has little or no weight as showing that the Government plan would have little or no impact on the market.

In particular, the Court was not persuaded by the testimony of Mr. Boni or Mr. Howell. The statistical tables from which the former drew his conclusions were prepared in a loose manner which could hardly be said to comply with accepted standards of statistical approach. His demeanor on the stand and his inability to give specific answers to the questions addressed to him left the Court with the conclusion that little or no reliance could be placed on his expert opinion. The opinions which Mr. Howell expressed in the course of the Government's rebuttal were completely unsupported by any evidence that he had studied the issues before the Court. While he stated those opinions freely, in view of their lack of foundation the Court cannot attach any weight to them.

The third type of testimony introduced by the Government as to market impact of its plan was statistics and oral testimony relating to offerings of securities which had taken place in the recent past. There were three kinds of offerings referred to, (a) offerings of debt securities, (b) offerings of common stock by corporations to their own stockholders following the issuance of negotiable rights to subscribe to the stockholders at substantial discounts from the current market, and (c) secondary offerings of common stocks by others than the issuing corporations.

From the testimony it is clear that offerings of debt securities, even if convertible into common stock, have little or no relevance to the secondary offering which would have to be made by the trustee under the Government plan.

Also, from the testimony it seems plain that rights offer-
[fol. 3736] ings by corporations to their own stockholders have little relevance because of the difference in the circumstances. In rights offerings the corporation is free to fix a subscription price substantially below the current market. Then the stockholder receiving the rights can sell the rights. The offering is made to a body of people already interested in the company. Anyone exercising a right can borrow from a bank 75% of the value of the stock, whereas under exist-

ing regulations on a secondary offering the purchaser can borrow only 10%. Further, in a rights offering the valuable mechanics of purchasing rights and exercising them and selling the stock so acquired is available to the underwriters, a process known as a "lay-off". This procedure has a stabilizing effect and is very helpful to the success of the operation. However, it is not deemed "stabilization" under present rules and underwriters can purchase such rights without reference to the stringent stabilizing rules of the Securities and Exchange Commission. The "lay-off" procedure is, of course, not available in a secondary offering.

There remains the testimony and statistics regarding large secondary offerings of common stock which have taken place in recent years. None of them is similar to what would take place under the Government plan. Only five (one being a series) need be discussed.

There was a secondary offering of Ford Motor Company common stock at $64.50 per share by a group of underwriters in the amount of about $650,000,000 by the Ford Foundation in 1956. Ford stock was not owned by the public at the time and was not listed on any exchange. Ford was a renowned company with a glamorous reputation. Although the Ford Foundation owned and retained substantially more stock, there was no threat of forced sales of this stock. As Winthrop C. Lenz, Vice President in [fol. 3737] charge of the Corporate Underwriting Division of Merrill, Lynch, Pierce, Fenner & Smith, Inc., one of the managing underwriters, testified, investors felt that the Foundation would make further sales only under favorable circumstances.

A Government witness, Mr. Ralph C. Sheets, Vice President in charge of sales at Blyth & Co., testified regarding another secondary offering of Ford stock by the Ford Foundation on March 31, 1959. Blyth & Co. was one of the managing underwriters. It was brought out on cross-examination of Mr. Sheets that the market price of Ford stock was substantially less at the time of this secondary offering than the offering price under the offering previously referred to, whereas the industrial stock averages had increased substantially over the same period. It was also developed through Mr. Sheets that the second offer-

ing presented a more difficult selling job although much smaller ($113,000,000 against $650,000,000) than the first and had a larger spread for the underwriters and dealers—$2 a share as against $1.50; $2 being 3.54% of the offering price of $56.50. The second offering of Ford stock was considered successful, as was the first. The second offering was made at a particularly favorable time both from the standpoint of the general stock market and also from the standpoint of the sales and earnings of the Ford Motor Company, which were sharply up in the early part of this year.

There was a secondary offering of 1,278,833 shares of General Motors stock made by the Sloan Foundation in 1956 through a syndicate headed by Morgan, Stanley & Co. at $43.75 per share, and with a spread of $1.35 per share. Both Mr. Sumner B. Emerson, a partner of Morgan, Stanley & Co., and Mr. Leuz of Merrill, Lynch, Pierce, Fenner & Smith, another member of the underwriting group, testified [fol. 3738] that the offering had a substantial adverse effect on the market price of General Motors. Schroeder Boulton, partner in charge of research of the New York investment house of Baker, Weeks & Co., a Government witness, testified that the Sloan secondary offering had caused a decline in market price and that, if repeated year after year, would have a much greater depressing effect. But, here again in the Sloan secondary offering of General Motors stock, there was no threat of additional forced selling of General Motors stock.

A series of secondary offerings referred to by the Government were the offerings of stock of Aluminium, Ltd., pursuant to a court decree of divestiture entered in 1951. These offerings were much smaller in amount than those involved here and they had a depressing effect on the market for Aluminium stock. Mr. Edward Townsend, Vice President and Director of First Boston Corporation, who managed the underwriting group, testified that the offerings had short-term market effects and that, in one or two of the offerings, they were disappointed with the aftermarket.

Dr. Friend also testified for the Government regarding the secondary offering of 1,800,000 shares of A. & P. stock at $44.50 per share on March 24, 1959. It was brought out

on cross-examination that from some time before the offering was made or known about in the markets to the time of offering, i.e., from January to March 24, 1959, the market price of the A. & P. stock declined 15½% against the Dow Jones industrial average.

In this connection the Court would like to point out that the Government witnesses repeatedly referred to the fact that charts showed that the market prices of stocks involved in offerings "recovered" after the offering. That is, of course, a small comfort to those stockholders whose stock [fol. 3739] was sold at the low prices on the offering or who felt compelled to sell on their own volition during the period of the offering. Furthermore, the sellers on the offering are compelled to lose in addition the cost of the underwriting, i.e., the spread, which is substantial.

There were no other secondary offerings on which evidence was introduced which seem to have any real materiality.*

The circumstances surrounding these secondary offerings are not similar to the circumstances which would surround the execution of the Government proposal. In any event, in most instances the offerings did have a depressing effect on the market price of the stock involved. The second Ford offering is an exception, but the conditions under which it was made were extremely favorable and unlike those which would accompany the execution of the Government proposal.

The Court is of the opinion that this evidence gives no assurance that the execution of the Government proposal would not have a serious depressing effect on the market value of du Pont and General Motors stock and would not cause serious losses to those who sell such stocks for whatever reason during the period while the decree is being executed. To accept the responsibility of entering a decree such as the Government proposes, the Court must have reasonable assurance that serious adverse economic effects will not result.

This is apart from the impact of the taxes on innocent persons which the proposed Government decree would have

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* The Government has not asked for any findings regarding the Campbell Soup stock offering.

under the present tax laws. The Government adduced no [fol. 3740] evidence as to what the economic impact might be in case the tax laws were amended along the lines of S. 200, making distributions exempt from taxation. Under such circumstances there would still be the impact of the forced sales by the trustee under the Government plan and the heavy taxes on Christiana and Delaware.

The Government called no witness who had responsibility in his business to invest large funds or to market large blocks of stock who testified that the Government plan would not have a serious market impact on the market for the stocks of General Motors and du Pont. Men of that type who were called by the Government either testified to the contrary on cross-examination or testified on other points. For example, the Government presented as witnesses Mr. Shanks, President of the Prudential Life Insurance Company, Mr. Townsend, of First Boston Corporation, Mr. Sheets, of Blyth & Company, and Mr. Weiss, of Bache & Company. All of these men had extensive practical experience in buying and selling securities and it is significant that the Government asked none of them to testify as to their opinion of the market consequences of the judgment proposed by the Government.

In contrast to the type of evidence introduced by the Government on this phase of the case, the defendants introduced the testimony of men charged with the responsibility of investing large funds and men of wide experience in the business of marketing large blocks of stocks and other securities. The defendants also called one economist.

The defendants introduced the testimony of Mr. Sumner B. Emerson, since 1936 a partner or officer in Morgan, Stanley & Co., one of the leading underwriting firms in the country. Mr. Emerson is in charge of handling underwritings of stock offerings and other securities under- [fol. 3741] written and sold by his firm. His testimony was that the probable impact of the adoption and execution of the Government plan on the market price of the common stock of General Motors would be in the area of 20% to 25% below what the stock would sell for in the absence of such a plan. In making this estimate he took into consideration the periodic forced sales by the trustee and also other selling which would take place, particularly by stockholders of

du Pont who received General Motors shares and had to pay ordinary income taxes on the value thereof at the time of receipt. He also thought that the figure of 20% to 25% might be exceeded in periods when the stock market was thin or tending downward.

Mr. Emerson assumed that sales by the trustee would be made through experienced underwriters, and sales by others would be scattered and disorganized. Those selling through underwriters would lose not only the reduction in market price but also the expense of the offering, i.e., the spread, estimated at $1.50 per share upward.

Mr. Emerson said that the offering and the situation surrounding it were without precedent, and that the market impact would be greater than that of any other offering of which he knew. Emerson further testified that it would not be feasible for the trustee to make the sales in the first 10 years under the limitations in the Government proposal. In other words, the trustee would not receive the fair value of the stock.

This witness also held the opinion that the adoption of the Government plan would have a serious impact on the market price of the common stock of the du Pont Company. He said there would be very heavy selling because of the heavy tax on the receipt by such stockholders of General Motors shares. For this purpose Emer- [fol. 3742] son used a table he had had prepared showing the tax advantage of selling the du Pont stock and paying a capital gain tax, as against receiving the General Motors stock as a dividend on du Pont stock and paying ordinary income tax on its value. He estimated that 4,000,000 shares of du Pont would be offered for sale. He contrasted with this the annual volume in the last 2 years on the stock exchange, which was approximately 800,000 shares.

Emerson pointed out that there would not only be no increase in demand for du Pont stock but a decrease in demand, because individuals buying du Pont would be buying into a tax problem and trustees buying du Pont would be buying into a tax problem and an allocation problem. He said there would be some increased buying by corporations and institutions if the price decreased sufficiently.

Mr. Emerson estimated that, if the Government proposed decree became effective, du Pont stock would sell at least

25% under what it would otherwise sell for, and the decrease might be much larger. He said that this reduction in market value would be over and above the decrease in the market value of the stock of du Pont due to the distribution of the General Motors stock.

Mr. Emerson was also asked about the suggestion in the Government memorandum of September 26 that the General Motors stock be dstributed by du Pont in lieu of cash dividends. He was of the opinion that this would increase the impact on the market price of General Motors because more General Motors would be sold by stockholders of du Pont who would otherwise have no cash income from du Pont. He estimated the impact in this case would be from 25% to 30%. He said it would increase the impact on the market price of du Pont stock, for people dislike a [fol. 3743] stock that pays no cash dividends. He estimated the impact under such a plan would be between 30% and 35%.*

Emerson was asked about the further suggestion in the Government's Reply Memorandum that the period for distribution and selling be stretched out to twenty years instead of ten. He thought the impact on General Motors stock would be less than under the ten-year plan, that is, 12% to 15%. He also estimated that such a plan would have an impact on the market value of du Pont stock of at least 15%.

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* If this sort of plan were adopted the du Pont Company would accumulate a vast amount of cash and there would be a problem of how to reinvest it. Mr. R. Russell. Pippin, Treasurer of du Pont, testified that this would result in a cash accumulation of up to $2,835,000,000. He said that the company would have no use for this cash to fulfill its capital requirements in the chemical industry. He said the company had no skills to go into other lines of business. He thought that it would be unwise to turn part of the company into a huge investment trust. He compared this sum of $2,835,000,000 with the size of the largest investment trust in the country, i.e., Massachusetts Investors Trust, with assets of about $1,500,000,000. He also spoke of legal problems which might arise if du Pont acquired other companies or their securities.

Tabulations were introduced through Mr. Emerson showing the loss to Christiana which would result from the execution of the Government proposed decree, assuming various sales prices received by Christiana for General Motors stock. Taking prices estimated by Emerson, that is, after a market impact of 20% and 25%, the loss from the then current market value of $46 per share, including cost of selling and taxes, was $332,429,000 and $362,412,000, respectively. A similar tabulation for Delaware, but including additional loss on the asset value of Christiana shares owned by Delaware, was $140,870,000 and $153,566,000, respectively. The combined realized losses were shown on [fol. 3744] these tables for the two companies at $364,694,000 and $397,578,000, respectively. These figures are not the sum of the separate figures for the two companies but eliminate duplication which would occur from simply combining such figures.

To present the effect of the Government plan on Christiana and Delaware, further tabulations were introduced through Mr. Emerson giving pro forma income of Christiana based on reinvestment of the net proceeds of the sales of General Motors shares at a yield equal to the current yield on the Dow Jones industrials and contrasting that pro forma income with actual income for 1958. This showed a decrease of 26.8%. The same figure for Delaware showed a decrease of 26.6%. Similar tables were introduced showing the effect on the income of Christiana and Delaware in case a bill such as S. 200 were enacted. The decrease would not be dissimilar. It was 25% in the case of Christiana and 24.6% in the case of Delaware.

Not only do compilations from the lists of stockholders of Christiana, du Pont and General Motors show that many charitable and educational institutions own shares in these companies, but there are large holdings of this type which do not appear from the stock lists. The following information was introduced in evidence regarding the holdings of Harvard University, Massachusetts Institute of Technology, the University of Chicago, and, in the case of Christiana, by a group of colleges and universities as of recent dates:

Harvard (including Harvard Yenching Institute): 526

shares Christiana; 6,584 shares du Pont; 84,189 shares General Motors.

M.I.T.: 360 shares Christiana; 5,335 shares du Pont; [fol. 3745] 206,831 shares General Motors. These M.I.T. investments had a total market value as of December 31, 1958, of $16,454,491, representing 10.88% of M.I.T.'s investment portfolio (not including real estate). The market price for Christiana shares used in this computation was $14,100. Christiana stock is not listed on the New York Stock Exchange but is traded in the over-the-counter market.

University of Chicago: 150 shares Christiana; 4,460 shares du Pont; 21,815 shares General Motors.

A group of 14 tax-exempt institutions (excluding the University of Chicago's 150 shares) held 1,519 shares of Christiana on June 30, 1958. These would have a market value of $21,417,900, using the per share figure just stated. The total holdings in Christiana including Harvard, M.I.T. and Chicago have a market value of $36,025,500.

Mr. Dallstream, amicus curiae, questioned Mr. Emerson on features of his voluntary takedown proposal. Mr. Emerson was of the opinion that the present du Pont common stock would sell at a slightly lower market value than a combination of a du Pont Special Common and an allocable number of shares of General Motors. Mr. Emerson said there would be buying by arbitragers. He testified that certain classes of shareholders would find the takedown attractive, assuming the tax effects contended for by Dallstream—tax-free institutions, corporate stockholders, investment trusts and foreign holders. An arbitrager, David T. Skall, Vice President of A. G. Becker & Company, Chicago investment bankers, testified that the new du Pont Special Common would be more desirable than the old common because it would not be under the cloud of a possible future compulsory divestiture of General Motors stock by du Pont. He said that a corporate arbitrager would have a particular advantage under the tax laws in purchasing present du Pont [fol. 3746] common, taking down General Motors and selling the General Motors and the special du Pont.

Another experienced underwriter who testified for the defendants was Mr. Winthrop C. Lenz, a Vice President of Merrill, Lynch, Pierce, Fenner and Smith, Incorporated, and a partner of the predecessor partnership, in charge of the corporate buying department of the underwriting divi-

sion. Merrill, Lynch is the largest brokerage firm in the country, the largest commodity firm, and one of the ten largest underwriting firms, with 126 offices in 108 cities. There were 71 partners prior to incorporation. The firm has 6,500 employees. It does 14.7% of the round-lot volume and 21.1% of the odd-lot volume on the New York Stock Exchange, and has between 325,000 and 350,000 active accounts. Lenz' firm was one of the managing underwriters of the Ford Motor Car secondaries.

He testified that, if the Government plan were put into effect, there would be a substantially adverse impact on the market price of General Motors common stock. Lenz' opinion was that, if the Government proposal were put into effect, General Motors stock would sell 20% to 30% below where it would otherwise sell, but without taking into account additional selling by holders of the existing 218,000,000 shares in the hands of the public, which he thought would be substantial. Lenz emphasized the problem of the selling which would be done by the existing holders of such shares. He pointed out that there were hundreds of thousands of such shareholders who would be very badly hurt, in his judgment, by the proposal if it were put into effect. He said his firm alone has on its books in its name for some 25,000 individuals 2,600,000 shares of General Motors and that, if the Government proposal were put into effect, the firm would have to inform the holders, [fol. 3747] would then be asked by them what they should do, and the firm would have to tell such holders that they should sell. Lenz also pointed out that, if 1% of the General Motors stock other than that owned by du Pont were sold, there would be another 2,000,000 shares on the market and, if 2% were sold, another 4,000,000 shares, and it would all be disorganized selling. Lenz testified that it would not be at all practicable to organize such stockholders for a single secondary offering as had been suggested by the Government witness, Dr. Friend. There were too many of them; such a secondary would be too expensive; and most of them would want to race into the market ahead of the others. Lenz said that the problem of selling by the existing General Motors shareholders may be the most difficult problem involved in the Government proposal.

Lenz thought that, if the plan were extended so that

there was a 20-year period instead of a 10-year period, the impact on the same basis would be from 15% to 20%.

He was also asked to make an assumption that du Pont pay out the General Motors stock in lieu of its regular cash dividend. Lenz thought this would be worse and that the impact would be a decrease in market price of General Motors of between 25% and 35%. Lenz was asked what the effect would be if du Pont were required to make a single dividend of the General Motors stock. He thought that there would be many more sales of General Motors stock and a still greater depressing effect on the market.

Lenz thought that the Government plan would cause the sale of from 5,000,000 to 6,000,000 shares of du Pont. He said that, even if that amount were cut in half, it would still be difficult to dispose of such shares. He thought the market impact would be a decrease of around 25% to 30%. He could not see who would buy du Pont stock under [fol. 3748] such conditions, except for tax-free institutions and corporations which might buy at bargain prices.

Lenz estimated that the spread which the trustee for Christiana and Delaware would have to pay underwriters would be from $1.80 to $2 per share of General Motors, which would be a loss to Christiana and Delaware on top of the reduction in market price due to the Government proposal. Lenz said, if the trustee tried to make a sale and then withdrew it, it would be very difficult to revive buyer interest. It would appear that sales by the trustee would probably have to be registered with the Securities and Exchange Commission under the Securities Act of 1933. Lenz did not think there would be too much difference in selling, whether the offering were registered or not, except that there would be less flexibility if registered.*

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* After the record was closed, the Government put before the Court correspondence between the Antitrust Division and a member of the staff of the Securities and Exchange Commission regarding methods of sale by the trustee. The correspondence was fragmentary. There were indications that conversations in addition to the correspondence must have taken place. The correspondence should not be given serious consideration under such circumstances. However, as indicated above, registration is not a very important factor in appraising the situation.

Lenz agreed with Emerson that the trustee would never realize a price, in the words of the Government proposal, "sufficiently high to reflect the fair value and true worth of the stock."

Lenz also gave his opinion as to the effect of the Government plan in case a bill such as S. 200 passed and the du Pont Company made one distribution of the 63,000,000 shares of General Motors, but where the trustee still sold shares going to Christiana and Delaware in ten equal [fol. 3749] annual instal'ments. He estimated a 10% to 15% decrease in market price.

Mr. James R. Forgan, a partner of Glore, Forgan and Company, an investment banking firm in New York and Chicago, testified for General Motors. He is in charge of the operations of the New York office and has been in the business of marketing securities for nearly thirty years. He testified that, if the decree proposed by the Government were to be entered, the market for General Motors stock would be drastically depressed. He said that, in addition to the 2,000,000 shares a year to be sold by the trustee, another 1,000,000 or 1,500,000 shares a year would be sold by du Pont stockholders receiving General Motors stock and there would be further sales by existing General Motors stockholders.

Mr. Forgan testified there was no precedent for the situation which would be created by the Government proposal. He said it would be a unique situation in investment history. His opinion was that the trustee stock could only be sold under these conditions at a 30% discount from the existing market and that the stock would fall to that price immediately upon the Government plan becoming effective.

The defendants introduced the testimony of Mr. Ralph Lowell, President of The Boston Safe Deposit and Trust Company and a member of the Finance Committee of John Hancock Mutual Life Insurance Company. The Trust Company has 4,400 trust and agency accounts with over $1,187,000,000 of assets. These trusts hold 467,357 shares of General Motors and 89,100 shares of du Pont. The Trust Company has many small accounts.

Mr. Lowell testified that, in case the Government plan were put into effect, the Trust Company would sell the [fol. 3750] du Pont stock held in most personal trusts be-

cause the Massachusetts law would require a trustee to treat General Motors stock received as a dividend as income, whereas the Trust Company would consider the distribution as principal. He said the Trust Company would do the same thing in the case of charitable trusts for a similar reason. He said the Trust Company had taken such action in the case of stock dividends by the Standard Oil Company of New Jersey. He said that extension of the period of the plan from 10 to 20 years would not change the action of the Trust Company.

On this phase of the case Mr. David M. Kennedy, Chairman of the Board of the Continental Illinois Bank and Trust Company of Chicago and Chairman of its Trust Investment Committee, testified that the Trust Company has been a net seller of du Pont stock from the date of the Supreme Court decision, June 4, 1957, to February 19, 1959, and that most of the selling was done since the announcement of the Government proposal. He said that the net sales amounted to 16,715 shares. Mr. Kennedy also testified that there would be serious trust problems in connection with the receipt of General Motors stock as a dividend and this would cause protracted litigation. He said the Trust Company had held in 635 trusts 105,855 shares of du Pont stock, with a market value, at $217 a share, of $22,970,535, and that the Company held 845,323 shares of General Motors common in 1,221 trusts, with a market value, at $46 per share, of $38,884,858.

Mr. Beacom, Vice President in charge of the Trust Department of the First National Bank of Chicago, also testified on this phase of the case. He testified that the Bank held in 1,822 trusts 853,650 shares of General Motors of a market value, at $46 per share, of $39,267,900. There [fol. 3751] were 133,490 shares of du Pont in 946 trusts with a total market value, at $230 a share, of $30,702,700. Mr. Beacom testified that the Government plan would adversely affect the value of both du Pont and General Motors stock. He emphasized that there would be no offset in demand against the additional supply which would go on the market. He thought there would be an avalanche of offerings of du Pont stock from trust institutions throughout the country. He said the Bank had come to the conclusion that the Government proposed decree would cost the accounts to which General Motors stock might be distributed as much

as $10,000,000 to $12,000,000. Mr. Beacom also stressed the problems of allocation between principal and income in the trusts of the General Motors stock received as a dividend.

In rebuttal the Government called Mr. George B. Rogers, a lawyer with the First National Bank of Chicago, to bring out that there had been allocations to trusts of dividends in stock of other companies without difficulty in the past. But the size of the distributions was small compared to the distribution proposed under the Government decree and this evidence does not detract from the testimony of Messrs. Lowell, Kennedy and Beacom to the effect that there would probably be allocation difficulties for trustees and litigation with beneficiaries if the Government decree were put into effect.

The defendants introduced the testimony of two men whose business was the investment of insurance company funds. Mr. Charles F. Caley, Jr., Assistant Treasurer of Aetna Life Insurance Company and affiliated companies, in charge of making the original recommendations on the companies' investments in common stocks, testified. The Aetna Life Insurance Company has assets of $3,550,000,000, making it about seventh in the life insurance field. The [fol. 3752] affiliated companies have assets of $616,000,000, which make them fourth or fifth in the fire and casualty insurance business. The companies have about $240,000,000 in common stocks. They own 27,600 shares of du Pont and 50,205 shares of General Motors. Caley was of the opinion that the Government plan, if put into effect, would substantially lower the price of General Motors stock. He said his company would not buy in the early part of the 10-year period except at "an absurdly low price." He said he did not know how far down the price of du Pont would go, and he would take the advice of investment bankers and brokers on that. Caley was asked what the situation would if du Pont paid out the General Motors stock in lieu of cash dividends. He thought the investment problem of the accumulated cash would be difficult and could easily cause trouble for du Pont with the Department of Justice.

Mr. John V. Herd was the other insurance executive who testified. He is Chief Executive Officer of the America Fore Insurance Group and a director of the America Fore

Loyalty Group, a total of twelve companies in the fire and casualty insurance business, with assets in excess of $1,500,000,000. Herd is also a director of American Telephone and Telegraph Company; the Dominick Fund, an investment company, and the Hanover Bank, a New York City bank with a large trust department. He is a member of the Trust Committee of the Bank. The America Fore Group have $820,000,000 invested in common stocks, which Herd said was by far the largest investment in common stocks under any one insurance company management. The companies held 249,500 shares of General Motors as of the year-end, with the then market value of $12,350,250. The corresponding holding of du Pont was 123,300 shares, with a market value of $26,355,375. Herd testified that if the Government plan were adopted the market value of [fol. 3753] General Motors stock would be depressed, and also that his company would sell some of its General Motors stock. Herd said that the Government plan would take the blue chip luster from the General Motors stock.

Another financial expert called by the defendants was Mr. William B. Moses, Jr., a trustee of Massachusetts Investors Trust and a director of Massachusetts Growth Stock Fund, who administers the investment research department of both funds. Massachusetts Investors Trust is the largest open-end investment company in the country, with approximately 200,000 shareholders and assets of $1,500,000,000, almost entirely in common stocks. The Growth Fund has assets of $250,000,000 invested in common stocks believed to have substantial prospects for growth development. The Growth Stock Fund has about 69,000 stockholders. Moses said that Massachusetts Investors Trust owns 700,000 shares of General Motors with a market value of approximately $32,000,000, and that it had 112,000 shares of du Pont with a value of about $25,000,000. He said the Growth Stock Fund held no General Motors, but had 17,000 shares of du Pont.

Moses held the view that the Government plan would depress the price of General Motors stock. He said he would recommend that the Massachusetts Investors Trust purchase additional General Motors in the price area of $35 or $40 a share, compared to the then current price of $46 per share. Moses thought the impact of sales by

du Pont stockholders receiving General Motors shares would be greater than the impact of the trustee's sales. He thought the trustee would have to sell at a bargain level. Moses thought the Government plan would depress the price of du Pont stock, because stockholders would sell to avoid the tax, and that there would be very few wanting to buy the stock. He said he would recommend that his [fol. 3754] companies purchase du Pont if the price of the stock receded to about $160 a share, the price at the time of the hearing being about $230 a share.

Defendants called one economist not in the business of investing funds or marketing securities. He was Dr. Neil H. Jacoby, Dean of the Graduate School of Business Administration at the University of California. Dr. Jacoby served on the President's Council of Economic Advisors from 1953 to 1955. He was also American advisor to the Government of India, and the United States representative on the Economic and Social Council of the United Nations. Dr. Jacoby testified on the basis of the economic factors which he found to be relevant that the Government plan would reduce the value of du Pont stock. He said that, if du Pont paid out General Motors stock in lieu of cash dividends, the consequences would be even more severe. He also testified that such a policy might well create other serious problems as to the ability of du Pont to invest the accumulated cash profitably and legally. The resulting problem in his opinion would be not only that of the du Pont management but also a concern of Government officials charged with enforcing the antitrust laws.

Dr. Jacoby also testified that adoption of the Government plan would materially affect the value of General Motors stock because of the substantial increase in supply without any compensating increase in demand.

Dr. Jacoby did not attempt to assess the stock market reactions that might influence the market prices of du Pont and General Motors stock. He recognized that such factors might serve to accentuate the effects which purely economic factors would have on the value of du Pont and General Motors stock. He also emphasized that, if unfavorable economic conditions should occur during the period covered by the Government plan, the economic consequences of the [fol. 3755] Government plan could be appreciably greater.

He noted that unfavorable conditions of the kind described above had occurred in the past 10 years.

Mr. Moses, of Massachusetts Investors Trust, testified that General Motors had raised $700,000,000 through new financing during the past ten years and that the prospect is that General Motors would need still more money during the next ten years. He said that the Government proposal would hamper General Motors in its effort to raise money through the sale of common stock.* Emerson expressed the opinion that it would be a very difficult operation for General Motors to finance through the issuance of common stock during the period the Government decree was in effect. Lenz testified that the Government plan would make financing by General Motors through sale of its stock highly uneconomic and very difficult of accomplishment. Forgan held the view that, if the Government plan were in effect, the price at which General Motors could do financing through the sale of common stock would be so low that the Company would be ill advised to use that form of financing. He would advise General Motors against such an operation. He doubted whether an underwriting group could be formed under such circumstances. Jacoby thought the plan would handicap General Motors in raising equity capital.

While there is no evidence that the Government proposal would make it difficult for General Motors to do debt financing, the Government's witness, Mr. Shanks, President of [fol. 3756] Prudential Life Insurance Company, testified that a company could not do continuous debt financing without doing some equity financing as well and that the Government plan would pretty well prevent General Motors from equity financing.

Inability of General Motors to do equity financing might have a serious adverse effect on General Motors raising the capital needed to maintain its position in the industry.

The foregoing are economic effects the risk of which cannot be ignored in considering the desirability of the forced

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* Mr. Moses also held the view that a deterioration in the market price of General Motors stock would make it difficult for other automobile companies to do any equity financing, for their stock would have to compete with the price of General Motors stock at the time.

distribution and forced sale features of the Government proposal.

In considering the type of decree which should be entered, evidence should be considered as to any possible voting control of General Motors by corporations or individuals affiliated with du Pont which might result from the decree.

No testimony was introduced in the relief hearings on this branch of the case. Instead, tabulations of various stockholdings in Delaware, Christiana, du Pont and General Motors and of du Pont family relationships were introduced. Such other evidence as there is on the subject is contained in the record of the original trial.

The contentions of the Government regarding potential control of General Motors through he votes inhering in its common stock can most conveniently be discussed against the background of the du Pont plan. Under the du Pont plan the votes on the shares of General Motors stock owned by du Pont are passed through pro rata to the stockholders of du Pont, and the votes going to Christiana and Delaware are passed through successively to their ultimate stockholders. Although the du Pont plan does not provide for [fol. 3737] Christiana passing through the votes on the 235,500 shares of General Motors held by it, the discussion below assumes that such votes are passed through.

The contention of the Government is that the General Motors stock allocable to Christiana, Delaware and the stockholders of Delaware should be sold because otherwise it can be assumed that certain groups of stockholders of du Pont, Christiana and Delaware would act in concert in exercising the votes on General Motors stock passed through to them. In the Government's memorandum of September 26, 1958, the contention was that individuals who were stockholders of Delaware would control General Motors as a group by use of the votes they would receive from du Pont, from Christiana and from Delaware under the du Pont plan, when such votes were added to the votes on their directly owned General Motors shares. From the evidence adduced at the trial it appears that the vote on approximately 1.8% of General Motors stock would come in the aggregate to the stockholders of Delaware (other than charities) in the event of the pass through of the votes, including the vote on directly held General Motors stock.

In addition, the personal foundations directly related to this group namely, Longwood Foundation, Inc., and the Carpenter Foundation, Inc., would exercise voting rights on somewhat in excess of 1,000,000 shares of the General Motors stock. Adding the two together, the resulting votes would represent slightly over 2% of the outstanding General Motors stock.

In its brief of April 29, 1959, and accompanying proposed findings, the Government contends that additional individuals, each having the name du Pont as some part of his name, should also be grouped with the stockholders of Delaware, and that certain corporations in which these indi- [fol. 3758] viduals, and also stockholders of Delaware, own stock, or on whose boards they sit, should be placed in the group. The contention is that the votes which all these 65 persons now have and would receive on a pass-through would amount to about 8% of the total General Motors vote and that this is a controlling vote. There was no evidence adduced at the hearings as to the basis for the grouping other than statements of relationships, many of which are very remote, and statements of financial interests in companies such as the old 1899 du Pont Corporation.

To determine whether there is any basis for the groupings contended for by the Government, the genesis of the present-day stock interests of members of the "du Pont family" in du Pont, Christiana and Delaware, as shown by the record on the original trial, should be analyzed. The term "du Pont family," as now used by the Government, includes all lineal descendants (and their spouses) of Pierre S. du Pont de Nemours, a great-great-grandfather of the Pierre S. du Pont, who was a defendant in this case. However, as set forth in paragraph 7 of the amended complaint, the Government did not thereafter claim in the original trial a family grouping beyond the eight brothers and sisters of the defendant, Pierre S. du Pont, and their spouses and descendants.

It would seem to the Court that, regardless of whether there is basis for the latter grouping, the history of the Companies shows that there is no basis for combining in any group the remote relations consisting of the people first described, i.e., descendants of Pierre S. du Pont de Nemours, merely by reason of such descent, or persons

simply because they had a financial interest in the old du Pont Company of 1899.

The relevant history starts in 1899 when the du Pont enterprise was first incorporated. The stockholders were [fol. 3759] individuals with the name du Pont although not in the families of the defendant Pierre S. du Pont or his eight brothers and sisters.

In 1902 the assets of the 1899 Corporation were sold out and were acquired by three cousins, two of whom had not theretofore been interested in the business, T. Coleman du Pont and Pierre S. du Pont, the new investors, and Alfred I. du Pont. These men formed a new corporation to which the business was transferred. The bulk of the stock, 72%, was acquired 36% by T. Coleman du Pont, 18% by Pierre S. du Pont, and 18% by Alfred I. du Pont. Following this sellout of the 1899 Company there was no basis for grouping its stockholders with defendant Pierre S. du Pont or his brothers and sisters, except for T. Coleman du Pont and Alfred I. du Pont.

This situation broke up in 1915 when the defendant, Pierre S. du Pont, and some of his brothers and brothers-in-law and certain associates formed another corporation which acquired the stock of T. Coleman du Pont. This corporation was the predecessor of Christiana. Substantially all of the du Pont stock now held by Christiana, about 27%, traces back to this transaction. Pierre S. du Pont, with his brothers and brothers-in-law, held a substantial majority of the stock of Christiana.

Following this transaction, which eliminated T. Coleman du Pont from the situation, there was a protracted and bitter litigation between the defendant, Pierre S. du Pont, and his cousin, Alfred I. du Pont. The defendant Pierre ultimately won out and Alfred I. du Pont then retired from any active participation in the affairs of the du Pont Company. Consequently, the Court is of the opinion that there is no basis for grouping relatives of Alfred I. du Pont or T. Coleman du Pont with the defendant Pierre S. du Pont and his brothers and sisters and their families.

[fol. 3760] The origin of Delaware traces to a transaction in 1924 in which the defendant Pierre S. du Pont conveyed to Delaware a substantial portion of his holdings in Chris-

tiana and du Pont and in consideration therefor received a substantial annuity for himself and his wife. The stock of Delaware was initially purchased in eight equal blocks by the families of his eight brothers and sisters. All of the Christiana and du Pont stock now held by Delaware was acquired in this transaction. As a result of this transaction and subsequent transactions, the stock of Christiana which was initially held in most part by defendant Pierre S. du Pont and the families of his brothers and sisters is now held as follows: 49,000 shares, about one-third, by Delaware, 24,453 shares by individuals who are stockholders of Delaware, and the balance by approximately 4,000 stockholders. This Christiana stock is actively traded in the over-the-counter market. Delaware holds, in addition to the 49,000 shares of Christiana common, 1,217,920 shares of du Pont common. The Delaware stock is, generally speaking, still held by the families of the brothers and sisters of the defendant Pierre S. du Pont—some 140 persons.

Substantial amounts of this Delaware and Christiana stock are not held directly in these families, but are in trusts for them at the Wilmington Trust Company. The Wilmington Trust Company has close ties with many members of these families through their holdings of Wilmington Trust Company stock and through their creation of these trusts in the Trust Company.

A majority of the officers and directors of both Christiana and Delaware come from such families and many of them are officers and directors of du Pont.

Counsel for Christiana and Delaware contend that there is no justification for assuming that the families of the brothers and sisters of defendant Pierre S. du Pont (who [fol. 3761] comprise the stockholders of Delaware and some additional individuals) and the Wilmington Trust Company would act in concert to vote their General Motors stock. They point to the fact that an analogous claim was made and disproved as to many of these same people in this case. It was charged that some of these people, through ownership of approximately 17% of the voting stock of U. S. Rubber, influenced the trade relations between du Pont, General Motors and U. S. Rubber, and that charge was disproved

A corollary question on this branch of the case is whether, even if these people acted in concert, they would have sufficient voting rights under the "pass-through" of the du Pont plan to exercise any real control over General Motors. As set forth above, the stockholders of Delaware, other than public charities, would have a total of slightly in excess of 2% of the total General Motors votes. The tabulations now in evidence show that additional members of the eight families who are not direct or beneficial stockholders of Delaware would have an additional 1,263,806 votes, not including votes connected with trusts at Wilmington Trust Company. If these votes were combined with the votes of Delaware stockholders, the total would be about 2.5% of the General Motors total. Even if there were added in the additional votes which the Wilmington Trust Company would have from various sources, 9,513,311 (or 3.4%), the total per cent would increase to only about 5.9%. It seems doubtful that this is a sufficiently large number of votes to exercise any real control over General Motors.

However, the Court does not deem it necessary to decide this question because, as will be shown hereafter, it intends to direct a form of decree which will obviate the determination of the two questions whether these people would act in concert and whether, if they did, they would have control or influence.

The proposed Government decree (as supplemented by [fol. 3762] the Assistant Attorney General's letter to the Internal Revenue Service, dated March 13, 1958 (Amicus Dallstream Exhibit 2)) provides that the trustee for shares of General Motors stock distributed as dividends to Christiana and Delaware by du Pont, before selling the shares in the market, shall give fifteen-day options or rights to purchase such shares to other stockholders of du Pont. There is no specification regarding the price at which the shares may be purchased under such option or rights. It would seem that the price would have to be the market price in order that there be no unjustified taking of property from Christiana and Delaware and giving it to other stockholders of du Pont. But, if it is the market price, there would be no incentive to such other stockholders to purchase the shares since they receive many such shares as dividends and know

other automotive manufacturers. As indicated above, the Court does not understand that the Government makes any such contention. Government counsel, in connection with the offer of these exhibits, suggested the possibility that if du Pont retained a financial stake in General Motors, even on behalf of its stockholders, du Pont would favor General Motors over other automotive manufacturers whenever du Pont developed new products useful in the automotive industry. The Court finds no support for this suggestion either in the evidence taken at the trial in chief or in the evidence received or offered at the hearing on relief. Nevertheless, the Court will direct that the injunctive provisions in the final judgment relating to trade prohibit du Pont from giving General Motors preferential access to any of its products or from selling to General Motors on terms more favorable than those made available to competitors of [fol. 3778] General Motors so long as du Pont owns any stock in General Motors.

Since du Pont is to retain the legal title to the General Motors shares owned by it there is no occasion to consider a sale of those shares that would be allocable to Christiana and Delaware in the event a divestment of the legal title to the shares were to be directed. The Court observes, however, that the sale contemplated by the Government's proposed judgment would have serious tax and economic consequences to the shareholders of both of these companies, which include many religious, charitable and educational organizations. Moreover, the record discloses that sales of the magnitude contemplated by the Government's proposed judgment would in all probability disrupt the market for General Motors stock and cause serious harm to the stockholders of that company. For these reasons the Court would not be constrained to order such sales unless it were satisfied that they were the only means of formulating a decree that would carry out the mandate of the Supreme Court.

There remains for consideration, however, whether the final judgment should contain any special provisions with respect to Christiana and Delaware. The Court is satisfied that because of their substantial stock interest in du Pont, and because of the long-standing close relationship between these two companies and the management of du Pont, injunc-

tive provisions substantially similar to those that will be entered against du Pont should be directed to Christiana and Delaware to guard against any possibility that they might acquire stock in General Motors or attempt in any way to influence or control General Motors. Inasmuch as neither Christiana nor Delaware is engaged in industrial operations there appears to be no occasion to extend to [fol. 3779] them the injunctive provision which will operate on the trade relations between du Pont and General Motors.

Du Pont, Christiana and Delaware have suggested that the latter two companies should not be permitted to vote any of the 63,000,000 shares of General Motors which they otherwise would be entitled to vote as stockholders of du Pont. Their proposal is that the vote be passed through in turn to the stockholders of Christiana and the stockholders of Delaware. If du Pont were to pass through to its stockholders the vote on the 63,000,000 General Motors shares which it owns Christiana would be entitled to vote approximately 16,805,684 shares of General Motors, and Delaware would be entitled to vote approximately 1,677,813 shares. Together Christiana and Delaware would be entitled to vote approximately 6½% of the outstanding General Motors common stock. The Government has contended that this number of shares should not be left in the hands of these two companies or distributed to their shareholders. The basis of this contention is that all of this stock, notwithstanding that it would be voted in varying amounts by some 4,000 shareholders of Christiana and some 200 shareholders of Delaware, would be voted as a block. In addition the Government asserts that some of these same shareholders own or would be able to vote additional amounts of General Motors stock so that as much as 8% of the outstanding General Motors stock would be voted as a block by people who have a substantial common stock interest in the du Pont Company. The Government further contends that such a block would constitute control of General Motors. Although the Government has made these contentions in support of its proposal to sell the General Motors stock that would be distributed to Christiana and Delaware under its proposal, it is reasonable to believe that the same contentions would be made against the [fol. 3780] efficacy of any proposal to pass through the vote

that the trustee must make a general offering of General Motors shares and that the market price will be further depressed. Accordingly, it appears to the Court that the provision is without substance. It is apparently inserted to give the appearance that the offering by the trustee is similar to a rights offering by a corporation to its own stockholders. There is no such similarity.

The Government decree also provides that such trustee may in his discretion accelerate the time schedule for the sale of shares of General Motors allocable to Christiana, Delaware and the stockholders of Delaware by selling more than one-tenth in any one year. However, the trustee will not hold any stock for the accounts of these persons until the dividend is declared each year and paid to all stockholders of du Pont. Accordingly, there is no way he can accelerate the time schedule. The provision was apparently inserted to indicate that the trustee would have additional flexibility in making the sales, but it is meaningless.

Apparently also to indicate that the trustee would have [fol. 3763] flexibility in making sales of General Motors shares, the Government proposed decree provides:

> "If, in the judgment of the trustee, reasonable market conditions do not prevail over an appreciable and adequate portion of this one-year period, the trustee may petition the Court for an order extending this time for such additional part of the 10-year period as the Court may direct. In addition to such other circumstances as may be relevant, reasonable market conditions shall not be deemed to exist if the price which can be realized at the time by the trustee is not sufficiently high to reflect the fair value and true worth of the stock."

However, it was testified that the trustee could never realize during the ten-year period a price sufficiently high to reflect the fair value and true worth of the stock. Accordingly, this provision would make the Government proposed decree a virtual nullity unless the intent is that, at the end of the ten-year period, the trustee shall dump all of the approximately 20 million shares of General Motors then belonging to Christiana, Delaware and the stockholders of Delaware on the market at any price. The latter would

not be a sensible proposal. However, the provision does indicate that the Government concedes that these shareholders of du Pont should not be penalized and should receive the fair value and true worth of the General Motors stock. The mechanics of accomplishing this desirable objective are simply faulty.

The provision for a trustee appointed by the Court and acting as a Court Officer to handle the marketing of 20,000,000 shares of stock over a ten-year period having a present value of approximately $1,000,000,000, seems to the Court to be singularly inappropriate. According to the Gov-[fol. 3764] ernment witness Boni, who was called as an expert, the Court should lay out a program for its trustee. The trustee would have to exercise discretion about when to sell the stock. Boni then conceded that the trustee might have to call in underwriters to make a secondary offering with whom the trustee would have to make a contract. The trustee would undoubtedly seek the advice of the Court in order to share his great responsibility. This Court does not believe that any court should be called upon to exercise such a function in the case of stock transactions of such complexity and magnitude.

The problems that arise with respect to the nature of the relief that should be granted fall into two categories: First, there is the question of what provision the judgment should make with respect to the 63,000,000 shares of General Motors stock owned by du Pont. Second, there is the question of what provisions the judgment should contain by way of injunctive relief in addition to the provisions that deal with the stock. The Court will deal with these problems separately.

In view of the Court's decision, the General Motors stock owned by du Pont should be considered in two categories:

1. The stock allocable to all stockholders of du Pont other than Christiana and Delaware—approximately 43,000,000 shares.
2. The stock allocable to Christiana and Delaware—approximately 20,000,000 shares.

The Court has held earlier in this opinion that no relief can be granted against the shareholders of Delaware who are also shareholders of du Pont because they are indispen-

sable parties and are not before the Court. Accordingly, [fol. 3765] no separate discussion of the shares of General Motors allocable to this group of stockholders of du Pont is necessary.

Considering first the shares of stock of General Motors allocable to the stockholders of du Pont other than Christiana and Delaware, the Court has no doubt that the voting rights of these shares should be divested. The Court is of the opinion that this divestiture should be accomplished by passing through the vote on these shares to the stockholders of du Pont. The parties are in virtual agreement that this measure of relief is desirable and practical. The Government plan proposes this kind of divestiture of the voting rights pending the distribution and sale of the stock provided for by that plan. The plans submitted by du Pont and the amici also provide for divestiture of the voting rights.

Therefore, the final judgment should provide for this divestiture and should require both du Pont and General Motors to take whatever steps may be required to make the pass-through of the vote effective. The judgment should provide that the Court appoint a monitor whose duty it will be to supervise the effectiveness of the voting provisions of the judgment and to report to the Court. In this connection the judgment should also provide that the passed-through vote should not be exercised on any shares allocable to anyone who is an officer or director of the du Pont Company, since to do so would be inconsistent with the purposes of this divestiture. This limitation should extend as well to the members of the family of any such officer or director residing in the same household with him. In addition, the final judgment should also prohibit this same group from voting any other General Motors shares. These provisions taken together will assure that no officer or director of du Pont will be in any position to exercise a [fol. 3766] vote with respect to General Motors shares. They are in substantial accordance with the proposal made in the plan submitted by the amici. Divestiture of the voting rights on the General Motors shares should be effective as long as du Pont continues to hold legal title to those shares.

It is also the opinion of the Court that the judgment should divest the General Motors stock owned by du Pont

of any right to representation on the Board of General Motors. To this end the judgment should enjoin both du Pont and General Motors from having any common officers and directors or employees in substantially the form requested by the Government. Du Pont has proposed a form of judgment which would permit the Court to sanction interlocking directorates between the two companies, provided that the common directors did not participate in any discussions or decisions on the Board of General Motors relating to its commercial relations with du Pont. In the Court's opinion such a provision in the judgment would not be appropriate. The separation between the two Boards should be complete and should be accomplished by the resignation from the one Board or the other of any existing common directors within a reasonable time after the entry of the judgment, that time to be fixed by the terms of the judgment itself.

This leaves for consideration the question of whether the judgment should also provide for the divestiture of du Pont's legal title to the General Motors stock, either in accordance with the plan proposed by the Government, some modification of that plan, or by some other method. With the voting rights of the stock divested, and with its right to representation on the Board of General Motors also divested, as provided for above, the possession of the [fol. 3767] legal title by du Pont will leave du Pont with the right

1) to receive dividends on the stock,
2) to share pro rata with other stockholders in the assets of General Motors in the event of liquidation,
3) to dispose of the legal title.

In this connection it should be noted that it is not disputed that for many years du Pont has passed on to its stockholders as dividends the amount of the dividends that it has received from General Motors less the amount of the intercorporate dividend tax. There is no suggestion that du Pont intends to modify or abandon this practice. On the contrary, the testimony of the Treasurer of the du Pont Company shows that its financial projections for the future have been made on the assumption that this practice will continue. This discussion of the question of

the right to receive dividends leads the Court to the conclusion that as a practical matter retention of the bare legal title to the stock by du Pont will leave it simply with the right to share pro rata in the assets of General Motors and the right to dispose of that legal title. Neither of these attributes of ownership would appear to raise any problem in the context of this case. Should a situation arise where either of these attributes took on significance it appears likely that the only action du Pont could take by reason of such attributes of ownership would encourage the enforcement of the antitrust laws and assist in carrying out the mandate of the Supreme Court.

The question then is whether with the legal title stripped of all of the incidents of ownership except those heretofore mentioned, the Court should also require divestiture of that legal title. The Court has heretofore held that it is [fol. 3768] not required, as a matter of law, to divest the bare legal title unless it finds on the facts that divestiture is required to eliminate the effects of the acquisition of the stock found to be offensive to the statute. The question is, therefore, whether the Court can find that in this case it is necessary to divest the bare legal title in order to remove and to guard against the probability of restraint or monopolization of trade which was the consequence the Supreme Court found to be offensive to the statute.

There is no evidence on which the Court could make such a finding. The Government did not offer any evidence that bears on this question, its principal reliance being on the legal argument that the Court is required, as a matter of law, to order divestiture of the legal title irrespective of whether that kind of divestiture was required in fact to guard against the unlawful consequence of the acquisition.* If the General Motors stock is stripped of its voting rights and of its right to representation on the Board of General Motors, as provided for above, no incidents or attributes of ownership are left with du Pont which could be used to influence the practices and policies of General Motors.

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* Certain related contentions made by the Government as to the significance of the evidence it offered with respect to du Pont's trade relations with General Motors are discussed hereafter.

General Motors would have no motive in these circumstances, arising either from fear of the exercise of the voting rights or resulting from the presence on its Board or on the committees of its Board of du Pont representatives or resulting from considerations of self-interest, to favor du Pont. It is well recognized that the normal and indeed the only way in which the holder of a substantial block of stock can influence the practices and the policies of the corporation is through the exercise or threatened [fol. 3769] exercise of voting rights or by representation on the Board of Directors. The Court is reinforced in this view by the fact that in the trial in chief and before the Supreme Court the Government relied primarily upon du Pont's voting rights and upon the participation of its representatives in the affairs of the Board of Directors of General Motors as the avenues and means which had been used or could be used by du Pont to influence the conduct of General Motors.

The Court has carefully considered whether it might be thought that if the voting rights of the General Motors stock should be distributed to the more than 200,000 shareholders of du Pont there is any reasonable possibility that those shareholders or any part of them (excluding from consideration Christiana and Delaware, which will be dealt with separately) could by voting cohesively or, as a group, influence General Motors to favor du Pont. The Government has made no showing that any such possibility exists and there is no basis in the record on which the Court could assume that anything of the kind could happen. The number of stockholders, the diversity of their interests and the unlikelihood that General Motors trade policies could be influenced by actions taken at stockholders' meetings militates against any such possibility. In addition the Court proposes, in a manner that will be stated hereafter, to provide by appropriate injunctive provisions against the remote possibility that the numerous stockholders of du Pont would nominate or elect a representative on the General Motors Board.

In essence, therefore, what would be left in du Pont would be the most sterile kind of an investment. The Court notes in this connection that Section 7 of the Clayton Act expressly excludes from its operation "corporations pur-

[fol. 3770] chasing such stock solely for investment and not using the same by voting or otherwise", to bring about anti-competitive effects. There would thus appear to be a recognition on the part of Congress that the holding of stock does not in all instances carry with it the power to bring about consequences offensive to the statute. The Court recognizes that the Supreme Court has held that in the past du Pont has not held its stock in General Motors solely for investment. This Court is of the opinion, however, that the divestiture and ancillary injunctive provisions referred to hereafter will be effective to assure that hereafter General Motors stock will be held by du Pont solely for investment.

The Court has given no consideration to the question of whether the continued holding of General Motors shares under the conditions outlined above would be an attractive investment for du Pont. It goes without saying that a holding of a substantial investment of common stock, with the limitations and restrictions on such ownership to be imposed by the Court, is unusual. Du Pont will have no vote on the General Motors shares. It cannot have any representation on the General Motors Board. It passes through the dividends, minus the dividend tax, to its stockholders. Under these circumstances it is possible that the du Pont management would be motivated to dispose of the investment, or parts of it, from time to time when suitable occasions might arise. There would be nothing in the decree to prevent such dispositions.

In the circumstances, therefore, the Court finds that there is nothing in the record made in the hearing on relief or in the record in the trial in chief which would support, even by inference, the conclusion that du Pont's possession [fol. 3771] of the bare legal title to General Motors stock, stripped of its right to vote and of its right to representation on the Board of General Motors, would create any possibility that the stock would have any influence on the practices and policies of General Motors or could be used in any way that would be inconsistent with the mandate of the Supreme Court.

The question remains whether divestiture should be ordered even though it is not necessary in order to prevent the consequences condemned by the statute. It is in relation to this point that the Court is required to consider

what the consequences of divestiture of the legal title would be to the shareholders of both du Pont and General Motors. On the record there can be no doubt that divestiture of the legal title would have serious adverse consequences to these stockholders. If the Government plan were to be adopted and the General Motors stock should be distributed by du Pont in addition to its usual cash dividends, the tax consequences would be extraordinarily severe and as explained above would in effect amount to a capital levy on the market value of the General Motors stock ranging in amount from 20% to 91%, and averaging perhaps 50-60% (less the dividends received credit), depending upon the tax brackets of individual stockholders.

That kind of distribution would also have adverse consequences on the market value of both General Motors and du Pont stock. The extent of those consequences is in dispute. This is a matter that cannot be measured with any degree of certainty. But the record satisfies the Court that there would be adverse consequences and that they would be substantial. Although much of the evidence offered by both sides was concerned with measuring the adverse consequences of the Government's proposed divestiture [fol. 3772] of legal title, there is no need for the Court to resolve the conflict in the evidence as to how severe those consequences would be. The Court is persuaded beyond any doubt that a judgment of the kind proposed by the Government would have very serious adverse consequences. In the circumstances, the Government is asking the Court to speculate with the property of innocent parties. It would be unreasonable and unjust for the Court to adopt measures which are certain to result in losses to innocent stockholders when the effects offensive to the statute can be eliminated by measures which will not result in such consequences. If the provisions of the decree, as outlined in this memorandum, should prove in the future to be inadequate to curb the violation, the door of the Court is open to the Government to petition for a modification of the judgment at any time.

If du Pont should discontinue completely its normal cash dividend and pay dividends entirely in the stock of General Motors for the ten year period required by the Government plan, these tax consequences would be mitigated. But, in these circumstances, the effect on the market value of Gen-

eral Motors stock would certainly be greater, since many more du Pont stockholders would doubtless be forced to sell in order to raise cash to pay taxes.

There is another point that deserves consideration in this connection. If du Pont should adopt this policy it seems certain that in the ten years involved the Company would accumulate an extraordinarily large amount of cash in excess of its needs for the normal development of its chemical business. In fact, the projections of the Company, which were the subject of testimony of its Treasurer and were not attacked by the Government, indicated that du Pont would accumulate an amount of approximately $2,500,000,000 or $3,000,000,000 in excess of its needs for anticipated [fol. 3773] growth. Assuming that du Pont could find useful employment for this amount of capital it seems clear that the result would be to increase enormously the power and economic position of the du Pont Company. Although the Court is aware that legally size alone does not violate the antitrust laws, the Court is of the opinion that in formulating an antitrust judgment it should not use its equitable powers in a way that seems certain to enhance the power and position of the du Pont Company and perhaps create new antitrust problems for both the Company and the Department of Justice in the future.

The Court has considered whether there might be modifications of the Government's plan or other forms of divestiture of the legal title which might reduce or mitigate these adverse consequences. The modifications of the Government's plan which were discussed in the hearing would not, in the opinion of the Court, remove these adverse consequences although they might mitigate their severity to some extent. For example, if the Government plan or any comparable arrangement should be adopted, the Court is satisfied that a longer period than ten years should be allowed for its execution. In its reply memorandum, the Government itself suggested that a period as long as twenty years might be appropriate. In this connection, the Court finds it significant that in the *Aluminum* case the United States District Court for the Southern District of New York allowed a ten year period for divestiture in a situation in which the problems of divestiture were less complicated and the dollar value of the property involved was substantially

smaller than is the case here. Alternative methods were not suggested by any of the parties. The Court does not believe that there is any method of divesting legal title to the General Motors stock now held by du Pont which would not either impair the value of the property interests involved or [fol. 3774] impose severe tax consequences upon the stockholders of the du Pont Company.

Because divestiture of the legal title is not necessary to remove the consequences of the acquisition found to be offensive to the statute, the Court concludes that it would be unfair and repugnant to the principles of equity to impose injurious consequences upon the stockholders of du Pont and General Motors by requiring the divestiture of the legal title.

Two types of injunctive provisions appear to the Court as necessary in order to assure the effectiveness of the divestiture which the Court proposes to direct . . to provide additional means of eliminating the effects offensive to the Clayton Act.

Certain of such injunctive provisions are in a sense ancillary to the divestiture order. As indicated above, du Pont and General Motors should have no common officers, directors or employees. Du Pont should be prohibited from acquiring any additional stock in General Motors substantially in the terms contemplated by Paragraph VIII of the Government's proposed judgment, except that it would seem fair to the stockholders of du Pont and in keeping with the investment character of du Pont's continued holding of General Motors shares to permit du Pont to retain such General Motors shares as it receives by virtue of stock dividends or in the exercise of rights extended with respect to its present holdings. The voting rights on any General Motors shares so received by du Pont should be subject to the pass-through in the same manner as the 63,000,000 shares presently held by du Pont. The amici curiae have suggested injunctive provisions which would prevent du Pont from bringing to bear influence on General Motors in any fashion either by nominating directors or by soliciting votes with [fol. 3775] respect to any General Motors matters. Such provisions are desirable and should be included in the final judgment. Furthermore, the judgment should provide that the voting rights of the General Motors shares which are

to be passed through to the stockholders of du Pont may not be voted at any General Motors annual or special meeting in favor of any persons nominated, designated or held out in any way to be a representative of the du Pont Company or of its interests. Necessary provisions to this end directed to both du Pont and General Motors should therefore be included in the judgment.

The second group of injunctive provisions to be considered relate directly to trade between du Pont and General Motors. Du Pont has taken the position that such provisions are unnecessary and perhaps improper in framing a decree to cure a violation of Section 7 of the Clayton Act. As the Court has indicated earlier in this opinion its powers under Section 15 of the Clayton Act are exceedingly broad and extend to any activity or relationship which the Court believes must be effected in order to prevent or restrain violations of the Act. Accordingly, the Court specifically rejects the contention made by du Pont with respect to the appropriateness of injunctive provisions relating to trade between du Pont and General Motors.

In view of the fact that the Supreme Court found only a probability that du Pont's stock interest in General Motors was likely to result in a restraint of General Motors purchases of automotive fabrics and finishes, the Court is not satisfied that injunctive provisions relating to trade of the character and scope proposed by the Government are necessary. It believes, however, that in the circumstances they are appropriate and may well contribute to an elimination of the consequence offensive to the statute in accordance [fol. 3776] with the mandate of the Supreme Court.* Accordingly, provisions substantially along the lines of those suggested in Paragraph IX of the Government's proposed judgment should be incorporated in the final judgment. Such provisions will require termination of any requirements contracts, exclusive patent arrangements or arrange-

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* Although the Government asks for the termination of "existing" requirements contracts and preferential trade agreements of various kinds, there is no evidence that any agreements of this character are presently in effect between du Pont and General Motors or have been in effect for many years.

ments relating to preferential use of discoveries which may exist between du Pont and General Motors. They will also prevent General Motors and du Pont from embarking upon joint commercial ventures. On the whole, such provisions should remain effective so long as du Pont holds any stock in General Motors, except that a period of three years after the effective date of the judgment should be sufficient insofar as the ban against requirements contracts is concerned. A ban of any longer duration would appear to be an unwarranted and unnecessary interference with General Motors right to purchase from its suppliers, including du Pont, on such terms and conditions as it is able to secure. Following the expiration of this three-year period, the parties should be permitted to enter into such requirements contracts as they desire, provided that no such contract may extend over a period longer than a single calendar or automobile model year.

At the hearing the Government sought to present in evidence a substantial number of documents reflecting efforts on the part of du Pont to sell various products to General Motors, to other automotive manufacturers and to suppliers to the automotive industry. Counsel for the Government conceded that the evidence they were offering [fol. 3777] reflected no restrictive or improper conduct. They further conceded that they were not attempting to show a violation of Section 7 with respect to any products other than automotive fabrics and finishes—the products covered by the Supreme Court's holding. The evidence, it appears, was offered on the ground that if was appropriate in a hearing on relief to consider the whole area of present and future trade relations. The Court agrees with this statement and believes that the injunctive provisions referred to above evidence a recognition of both present and future areas of trade relations between du Pont and General Motors.

The Court excluded certain of the documents offered by the Government bearing on trade between du Pont and General Motors. These documents were presented as an offer of proof and submitted along with the record. The Court has had an opportunity to examine all of them. None of them suggests the slightest impropriety in du Pont's conduct of its trade relations with General Motors and

on the General Motors shares owned by du Pont and allocable to Christiana and Delaware.

The Government has failed to establish by credible evidence either of the premises upon which the foregoing contentions rest. The Court is not persuaded that the General Motors shares allocable to Christiana and Delaware would be voted by their shareholders as a block. Nor is it persuaded that even if they were voted as a block they would pose any real threat that General Motors purchasing policy could be directed in a way that would favor du Pont. The Government at the hearing on relief made no effort to establish these propositions except to introduce elaborate and detailed schedules disclosing the manner in which the stock of Christiana and Delaware and du Pont was held by various stockholders of Christiana and Delaware. The Court accepts these schedules as proof that the shares are held as indicated therein. It does not believe, however, that the schedules even suggest that the owners of the stock would all vote their allocable General Motors shares in a block. No effort was made by the Government to show how even 8% of the stockholders of General Motors would go about influencing the management of that company to favor du Pont in its purchases.

This is a relief proceeding, however, and it is perhaps not incumbent upon the Government to provide the evidentiary basis for its apprehensions in the same detail as would be necessary to establish a violation of the law. The Court has determined therefore to reject the proposal that the vote be passed through to the stockholders of Christiana and Delaware and instead proposes to include provisions in the final judgment that will preclude the shareholders of Christiana and Delaware from voting their allocable portion of du Pont's 63,000,000 shares of General [fol. 3781] Motors. These shares will be sterilized and voted by no one, with the result that the 18,483,497 shares of General Motors stock allocable to Christiana and Delaware will not be voted at any General Motors annual or special meeting.

In view of the fact that Christiana and Delaware are to be precluded from voting any of their shares of General Motors stock it seems appropriate that their officers and directors, as well as the members of their immediate fami-

lies living in their households, should be similarly precluded. Accordingly, as in the case of the officers and directors of du Pont, the final judgment will preclude any person from exercising the pass-through vote or from voting any General Motors stock who is at the time of any annual or special meeting of General Motors an officer or director of Christiana or Delaware or a member of the immediate family of such officer or director and living in his household.

In this connection it should be noted that while under the Government plan 19,670,115 shares of General Motors stock would be sold and therefore the votes eliminated, nevertheless, the vote on 7,739,467 shares of General Motors stock, or 2.8%, would still be left at the end of the 10-year period with the very groups to which the Government has pointed. Indeed, at the beginning of the 10-year period the vote on 10,860,111 shares, or 3.9%, would be in such groups. In contrast, under the provisions of the judgment referred to above, the votes with respect to more than 20,000,000 shares of General Motors stock would be sterilized* and there would be left with the entire group as to which the [fol. 3782] Government has raised questions somewhat less than the 2.8% which would be left with them under the Government's plan. Furthermore, well over half of such votes would be voted by the descendants of the owners of the 1899 Company, including the Delaware Trust Company, who in the Court's view have only a very remote relationship to the matters involved in this litigation.

It would seem inappropriate to permit Christiana to continue to vote the 535,500 shares of General Motors stock which it owns and preclude it from voting any part of the 63,000,000 shares owned by du Pont. The Court is not entirely satisfied, however, that it is within its authority to affect Christiana's ownership of these 535,500 shares in any way since it has not been alleged by the Government that such shares were acquired or are held in violation of Sec-

*The Court, in proposing to preclude the officers and directors of du Pont, Christiana and Delaware from voting the General Motors shares which they presently hold, is actually sterilizing a substantial number of shares of General Motors stock which could be voted under the Government's proposal.

tion 7, and there is no basis in the record on which the Court could properly conclude that such shares have been so acquired or so held. The Court believes, however, that a sterilization of these shares would be appropriate and directs that such a provision be included in the final judgment unless Christiana wishes to present reasons why the provision should not be included. In that event the Court will give further consideration to the matter.

The Court has given careful consideration to the objections which the Government in its Reply Brief has made to any judgment which would fail to divest du Pont of the legal title to the General Motors stock and would leave du Pont with any financial interest in General Motors. The Government objects to such a judgment, first, because it "will permit a continuance of concentrated voting power of du Pont in General Motors by reason of the voting rights which would be acquired by the stockholders of Christiana, Dela- [fol. 3783] ware and the du Pont family." (Government Reply Brief, p. 12). The Government's second objection to such a judgment is that the "common financial interest between the defendants will continue to influence the commercial relations between du Pont and General Motors." (Government Reply Brief, p. 15.)

The Court believes that the first of these objections is completely met by the provisions which the Court intends to include in the final judgment which will (1) sterilize all of the General Motors stock which, under the du Pont plan, would be voted by the stockholders of Christiana and Delaware, and (2) preclude the officers and directors of du Pont, Christiana and Delaware from exercising the voting rights on any General Motors stock, whether such stock is held directly or by the du Pont Company. These provisions will in fact do more to eliminate whatever "concentrated voting power" the stockholders of du Pont might have in General Motors than would be accomplished by the Government's plan itself. Insofar as voting power in General Motors is concerned, sterilization of the General Motors stock owned by, and allocable to, Christiana and Delaware will be just as effective as the sale of that stock in accordance with the Government's proposal. Moreover, while the Government's proposal would permit the officers and directors of du Pont and the members of their family

to continue to vote any General Motors stock which they presently own and to exercise the voting rights of the General Motors stock they might receive in a distribution by du Pont, the Court proposes to enter a judgment which will preclude these persons from voting any General [fol. 3784] Motors stock.* In this connection, it is the Court's belief that the voting restrictions it proposes to impose upon the officers and directors of du Pont, Christiana and Delaware will be more effective than the prohibitions which the Government would impose upon persons who are shareholders of Delaware. It is the officers and directors of du Pont, Christiana and Delaware who would be likely to perpetuate any common control of du Pont and General Motors and they are the persons who should be precluded from voting General Motors stock. For the foregoing reasons the Court has concluded that the Government's first objection to a judgment that would leave the du Pont Company with a financial interest in General Motors has no application to the judgment which the Court proposes to enter, because that judgment will include safeguards against the continuance of any "concentrated voting power" in General Motors that will be more effective than the Government's own proposal.

With respect to the Government's second contention, there is no rational basis on which the Court could find that such common financial interest as will exist between du Pont and General Motors under the judgment proposed by the Court can be expected to influence the commercial relationships between the two companies in any way. In the first place, the judgment will contain stringent injunctions against du Pont and General Motors dealing with each other on a non-competitive or preferential basis. In this respect, the restrictions are more drastic than those pro- [fol. 3785] posed by the Government. The Court has no reason to believe that these restrictions will not be observed

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* Presumably the Government's plan would operate on some portion of this stock, i.e., that which is held by shareholders of Delaware who are also shareholders and officers or directors of du Pont. As the Court has found, however, it is without jurisdiction to order the relief proposed by the Government against the stockholders of Delaware.

by the parties, and has every reason to expect that any failure to observe them will be brought to the Court's attention. In many instances where the antitrust laws have been violated, injunctive provisions of the kind which the Court proposes to enter are the sole remedies against further violations. On the whole, these remedies appear to have been effective and there is no reason to believe they will not be similarly effective in this case.

In the second place, nothing in the record supports the view that in the particular circumstances of this case, du Pont's ownership of a bare legal title to the stock, unaccompanied by any voting rights or by any representation on the Board of General Motors, would or could have any effect on the commercial practices of General Motors. If General Motors were to have a continuing financial interest in du Pont rather than vice versa, the Court can appreciate that there might remain some incentive for General Motors to buy from du Pont in order to increase the latter's sales and profits. In that case, the owner of the financial interest would be making the buying decision and might be influenced to purchase from a company in which it held a substantial financial interest. In this case, however, the buying decision must be made by General Motors. It has no financial interest in du Pont and the Court is aware of no incentive which would operate to influence a General Motors employee to favor du Pont in any way.

The Court recognizes the force of the Government's argument that the Supreme Court's decision was not necessarily confined to the voting power which du Pont enjoyed in General Motors. The decision noted other factors which had operated, or might operate, in du Pont's favor as a supplier of General Motors. Upon analysis, however, it must be con- [fol. 3786] cluded that the ultimate source of all these avenues of influence is the voting power attached to du Pont's 63,000,000 shares of General Motors. Without that voting power, and without directors on the General Motors Board, du Pont is completely stripped of any potential power to penalize or reward the employees of General Motors in accordance with their demonstrated attitude toward du Pont's products. In the absence of this voting power, lines of communication, suggestions, established relationships and other attributes of ownership of which the Government

complained are rendered impotent. These all may represent ways and means by which du Pont's will could be brought to bear on General Motors, but each springs from the voting power attached to the General Motors stock which du Pont owns; absent that voting power, these means are capable of accomplishing nothing.

The Government's principal concern appears to be that du Pont's continuing financial interest in General Motors will "force [it] to see that General Motors is the prime, if not the exclusive recipient of du Pont's research activities." (Govt. Reply Brief, p. 18) The Government does not suggest that there is any evidence that du Pont has favored General Motors over General Motors' competitors. Such a charge was made in the original complaint but was never proven and at the close of the trial in chief the Government did not even request the Court to make findings of fact that du Pont had so favored General Motors.* Needless [fol. 3787] to say, therefore, such a charge was not before the Supreme Court and played no part in that Court's determination that du Pont's stock interest in General Motors might result in monopolizaton of General Motors purchases of automotive fabrics and finishes in violation of Section 7 of the Clayton Act. And it is to be noted that in the hearing on relief the Government did not offer any evidence that du Pont had favored, or was favoring, or was likely to favor, General Motors in any way whatsoever. Indeed, in offering its evidence as to the course of trade relations between du Pont and General Motors, counsel for the Government specifically stated:

> "Let it again be clearly understood that the Government suggests no improper conduct on the part of the companies by the introduction of this evidence."

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* The passage from the Supreme Court opinion quoted by the Government in its Reply Brief (p. 19) does not indicate any evidence of du Pont favoring General Motors. In stating that du Pont would try to supply General Motors with "the best," the Supreme Court was discussing the point that the trade dealings between du Pont and General Motors had been above-board and that there had been no overreaching of General Motors by du Pont.

The Court recognizes that it is empowered to, and should, in appropriate circumstances, enjoin restrictive conduct even though there is no proof that the parties have actually engaged in that particular type of conduct. *International Salt Co.* v. *United States*, 322 U.S. 392, 400 (1947). It is out of deference, therefore, to the Government's naked suggestion that du Pont might favor General Motors rather than on the basis of any proof that du Pont has favored General Motors, that the Court proposes to include in the final judgment provisions which will specifically prohibit du Pont from entering into preferential arrangements with General Motors and from offering any product or service to General Motors on terms and conditions more favorable than those offered to competitors of General Motors. The Court is of the opinion that such provisions will be adequate to forestall any trade favoritism of the kind which the Government has suggested but not proven.

To order a divestment of du Pont's title, with the result- [fol. 3788] ing tax penalties and market implications which the Court has heretofore described, merely to eliminate the possibility that du Pont might favor General Motors, would in the Court's opinion constitute a serious abuse of discretion. Even if there were proof, either at the trial in chief or at the hearing on relief, that du Pont had followed a course of action of favoring General Motors over the latter's competitors, the Court would be loathe to direct a divestment of legal title until it had at least been demonstrated that injunctive provisions of the kind proposed by the Court would be ineffective. In the absence of any proof of such conduct, and in view of the fact that the Government alleged and failed to prove such conduct, the Court believes that the Government's apprehensions do not constitute an adequate basis for the divestiture order which it proposes.

The takedown plan proposed by amicus Dallstream is ingenious and has merit. If the Court were persuaded that, in order to eliminate the effects offensive to the Clayton Act, it would be necessary to require the distribution of du Pont's legal title to the General Motors shares, the Court would give serious consideration to adopting the takedown plan. The plan, meritorious as it is, introduces complications into du Pont's capital structure. It also operates in different ways, and sometimes in a discriminatory man-

ner, upon various categories of du Pont stockholders. Moreover, its adoption would impose an administrative burden upon this Court for many years to come. In the circumstances, therefore, since the Court has concluded that a distribution of du Pont's legal title to the General Motors shares is not necessary,* the Court believes that there is no [fol. 3789] justification at this time for involving du Pont and its shareholders in the complications of the takedown plan. It may be that the plan will have utility at some time in the future, particularly if a change in administrative or legislative policy were to produce the tax results contemplated by amicus Dallstream in recommending the plan. In such event any party may ask the Court to reexamine the plan in the light of circumstances then existing.

The Court and the parties are aware of the pendency of bills previously referred to which, presumably, will be considered in the second session of the 86th Congress and which would, if enacted, substantially ameliorate the tax consequences of a distribution of du Pont's legal title to the General Motors shares. It is impossible, however, to foretell whether such legislation will be enacted and, if so, the form it will take. Quite possibly a change in policy on the part of the Internal Revenue Service might also affect the tax consequences of any such distribution. The Court should not be foreclosed from considering such new legislation or rulings nor should the parties be foreclosed from bringing them to the attention of the Court. While a distribution of the legal title to the General Motors shares by du Pont is not, in the opinion of the Court, at all necessary to remedy the effects offensive to the statute in view of the other provisions of the decree to be included, such a distribution would leave a more simplified structure from the corporate standpoint. Consequently, the final judgment should make specific provision for the possibility of such developments and should authorize any party to come before

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* In recommending the takedown plan for the Court's consideration amicus Dallstream himself recognized that the plan was not "an essential ingredient in a program of appropriate and equitable relief." (Dallstream Report, August 1958, p. 115.)

the Court and seek modification of the judgment in the light of any such developments.

[fol. 3790] Summary.

The Court concludes that it has jurisdiction under Section 15 of the Clayton Act to order appropriate relief in this case not only against du Pont but also against General Motors, Christiana and Delaware; it is without power to order relief directly against the stockholders of Delaware who are also stockholders of du Pont because they are indispensable parties to any such relief and are not before the Court.

The Court has also concluded that under Section 15 of the Clayton Act it is not required to direct divestiture of the ownership of the 63,000,000 shares of General Motors acquired by du Pont in violation of the Clayton Act. Rather the Court has broad discretion under that section to order the relief it deems appropriate to eliminate the effects offensive to the Act and to do so consistent with the protection of the interests of all parties, including the shareholders of these four companies who are innocent of any wrongdoing.

The Government proposal is that the Court should order distribution by du Pont of the 63,000,000 shares of General Motors stock held by it in ten equal annual dividends and that the shares going to Christiana, Delaware and the stockholders of Delaware, a total of about 20,000,000, be delivered to a trustee and sold for their account within twelve months of receipt, about 2,000,000 shares a year. The 63,000,000 shares of General Motors stock have a current market value of over $3,500,000,000, and the 20,000,000 shares a market value of over $1,000,000,000.

The Internal Revenue Service has ruled that General Motors shares received as dividends by individuals and trusts would be taxed at the market value at the time of [fol. 3791] receipt as ordinary income, i.e., at rates from 20% to 91% (less dividends received credit). There would also be state income taxes in many cases. The Service has also ruled that the General Motors shares received by non-tax-exempt corporations would be taxed to them at the cost base on the books of du Pont, or at $2.09 per share and that,

when sold by or for the account of such corporations, the gains over that base would be taxed at the capital gain rate of 25%. Thus, whatever market value the General Motors shares might have if the Government proposal went into effect, the tax impact on individual stockholders of du Pont would be enormous and the tax impact on corporations forced to sell, such as Christiana and Delaware, would also be great.

The Government decree would also have a serious impact on the market value of the stock of General Motors and of the stock of du Pont. The testimony adduced by the defendants, that of men of wide experience and great responsibility for investing funds and marketing securities, to that effect must be given great weight. The type of evidence introduced by the Government, consisting of data regarding a variety of security offerings, charts of stock movements and the flow of investment funds, and the testimony of economists without practical experience or management responsibility, cannot overcome the weight of such testimony. On the Government's own evidence, there would be a serious risk that the sales caused directly and indirectly by its proposed decree would depress the market value of the two stocks and cause substantial losses to the many thousands of direct or indirect holders of such stocks who cannot conceivably be called guilty persons or even persons aware of any illegality. The Court will not assume the responsibility of such risk.

[fol. 3792] Another factor that should be given some consideration is that the Government plan would seriously handicap General Motors from doing any common stock financing during the period of the plan, to its possible detriment and the injury of its stockholders.

The Court has concluded that the Government proposal is unnecessarily harsh and punitive and that there is an effective means of preventing any possible control of General Motors through use of the votes on the General Motors shares now held by du Pont either by du Pont or by persons whom the Government has any reasonable basis for claiming that they might act in concert. The effective means is to divest du Pont of the votes on such General Motors shares and pass such votes through pro rata to du Pont stockholders, and then to enjoin the exercise of such votes

as lodge in Christiana and Delaware and in officers and directors of du Pont, Christiana and Delaware, their spouses and dependents. By this means at least as many votes by persons claimed by the Government to belong to a group will be taken from them as would be the case if the Government's proposed decree were put into effect. A decree to this effect will make it unnecessary for the Court to make a determination whether any of the groups of persons whom the Government claims would act in concert would do so or whether, if they did act in concert, they would have a sufficient number of votes to control or influence General Motors.

The Court is of the opinion that there is nothing in the record which would support even by inference the conclusion that du Pont's possession of the bare legal title to General Motors stock, stripped of its right to vote and of its right to representation on the Board of General Motors, would create any possibility that the stock would have any [fol. 3793] influence on the practices and policies of General Motors or could be used in any way that would be inconsistent with the mandate of the Supreme Court.

The essential features of the final judgment which the Court has decided upon have been indicated in some detail in the foregoing discussions. Without intending to limit or modify in any way the matters which the Court has heretofore discussed, the basic features of the final judgment which the Court proposes to enter are:

1. Du Pont will be divested of the right to vote any of the 63,000,000 shares of General Motors stock which it owns and such shares will be voted hereafter by the stockholders of du Pont with the exceptions noted below.

2. Injunctive provisions will prohibit du Pont, Christiana and Delaware from acquiring any additional stock interest in General Motors and from attempting to influence General Motors in any way.

3. Christiana and Delaware will be prohibited from voting any of the 63,000,000 shares of General Motors that would otherwise be voted by them as stockholders of du Pont and the portion of such shares that are allocable to Christiana and Delaware will be sterilized along with the 535,500 shares of General Motors which Christiana presently owns.

4. No officer or director of du Pont, Christiana or Delaware will be permitted to vote any General Motors stock, either in accordance with the pass-through described above or otherwise.

5. No officer or director of du Pont, Christiana and Delaware will be permitted to serve as an officer or director of General Motors, and General Motors will be prohibited [fol. 3794] from having as an employee any employee of du Pont, Christiana or Delaware.

6. All preferential trade arrangements or understandings between du Pont and General Motors will be cancelled, and they will be prohibited from entering into any such arrangements or embarking on joint commercial ventures so long as du Pont owns General Motors stock. Any existing requirements contracts between the two companies will be canceled and they will not be permitted to enter into any such contract for a period of three years following entry of the final judgment herein, after which period requirements contracts of not more than one year's duration will not be prohibited.

7. Provision will be made for a review and reconsideration of the terms of the final judgment in the event the provisions thereof should prove in the future to be inadequate to curb the violation, and in the event of an administrative or legislative change in tax policy which would significantly alter the tax consequences of a distribution of the General Motors stock owned by du Pont.

8. Appropriate provisions will be included for retention of jurisdiction by the Court and for enforcement of the terms of the judgment.

The above and foregoing opinion of the Court constitutes the Findings of Fact and Conclusions of Law.

Walter J. LaBuy, Judge of the United States District Court.

Chicago, Illinois, October 2, 1959.

[fol. 3795] In the United States District Court, Northern District of Illinois, Eastern Division

Civil Action No. 49 C 1071

United States of America, Plaintiff,

vs.

E. I. duPont de Nemours and Company, et al., Defendants

Transcript of Proceedings of November 2, 1959

Re Form of Final Judgment

had in the above-entitled cause before the Honorable Walter J. LaBuy, one of the Judges of said Court, in his court room in the United States Courthouse at Chicago, Illinois, on Monday, November 2, 1959, at 2:00 o'clock p.m.

Appearances

Present: Mr. George Reycraft, Mr. Paul A. Owens, Antitrust Division, Washington, D. C., On behalf of the Government;

Sidley, Austin, Burgess & Smith, by Mr. George Ragland, Jr., 11 South LaSalle Street, Chicago 3, Illinois, and Cov-
[fol. 3796] ington & Burling, by Mr. Hugh B. Cox, Mr. John Lord O'Brian, Mr. Charles A. Horsky, Mr. Daniel M. Gribbon, and Mr. Alvin Friedman, 701 Union Trust Building, Washington 5, D. C., on behalf of the defendant, E. I. duPont de Nemours and Company;

Mr. Irving S. Shapiro, and Mr. Francis J. Zugehoer, On behalf of the Legal Department, E. I. duPont de Nemours and Company;

Mayer, Friedlich, Spiess, Tierney, Brown & Platt, by Mr. Leo F. Tierney, Mr. Bryson P. Burnham, and Mr. Lee N. Abrams, Suite 1955, 231 South LaSalle Street, Chicago 4, Illinois, and Mr. Henry M. Hogan, and Mr. Robert A. Nitschke, General Motors Building, Detroit 2, Michigan, On behalf of the defendant General Motors Corporation;

Dewey, Ballantine, Bushby, Palmer & Wood, by Mr. Wilkie Bushby and Mr. Philip C. Scott, 40 Wall Street, New York 5, New York, On behalf of the defendants Christiana

Securities Company and Delaware Realty & Investment [fol. 3797] Corporation; Mr. Andrew J. Dallstream, Mr. Burton Rissman, Suite 1705, 231 South LaSalle Street, Chicago 4, Illinois, Amicus Curiae with respect to the interests of the Stockholders of E. I. duPont de Nemours and Company;

Mr. Manuel E. Cowen, Suite 2248, One North LaSalle Street, Chicago 2, Illinois, Amicus Curiae with respect to the interests of the Stockholders of General Motors Corporation.

[fol. 3798] The Clerk: No. 49 C 1071, U. S. vs. du Pont de Nemours, et al., motion for final decree.

SUBMISSION OF PROPOSED FINAL JUDGMENT BY MR. COX

Mr. Cox: May it please the Court, we are here this afternoon to present to your Honor, pursuant to the Court's direction, a form of final judgment in this case.

I have here a form of final judgment which I would like to give to the Clerk for presentation to the Court.

The Court: Pardon me. Is this the original of the copy that I received last Friday?

STATEMENT ON BEHALF OF DUPONT BY MR. COX

Mr. Cox: Yes, may it please the Court, if I may, let me make a short explanation about that.

Pursuant to the Court's direction last Friday, we delivered to the Court and also to other parties, the Government and the amici and the other defendants, a form of judgment. What I have given your Honor now is exactly the same form of judgment, except for one minor change which I think is not a change that will create any controversy. The change has been made in the copy which has just been handed to the Court. That is the change on page 16, in Section VIII, in the third line of that section after the word "of", the words "for its own account have been inserted. They were not in the form of judgment which was delivered [fol. 3799] to the Court and distributed to the parties.

The Court: Does the Government have this change?

Mr. Reycraft: Yes, your Honor, we have it.

Mr. Cox: I think it is a change, may it please the Court,

that does not affect the substance of the paragraph and should give rise to no controversy with the Government.

With the Court's permission I should like to say this. Pursuant to the Court's direction we in the first instance prepared a form of judgment which we thought closely adhered to and was consistent in all respects with the Court's opinion in this case. We were assisted materially in preparing that judgment by reason of the fact that the opinion, unlike opinions in some cases in which I have been engaged, was quite comprehensive, precise and detailed on the question of relief.

Having prepared that judgment, and having satisfied ourselves that it was consistent with the Court's opinion, on the 20th of October we delivered a copy to the Government, again pursuant to the Court's direction, and also to other parties. Since that time we have had a number of discussions with the Government. There have been two conferences and a great many telephone conferences, in which we have tried to work out such differences as arose [fol. 3800] between us with respect to the form of the judgment.

We have also had the benefit of suggestions made by the Amicae Curiae. I think as a result of those discussions a great many differences were resolved. I think I should say to the Court that as a result of the positions taken by the Government, we have included in the form of judgment provisions which we would not have included if the matter had been left completely to our choice; we have made changes in our form of judgment that we would not have made in the first instance—all this having been done in an attempt to reach an agreement.

I think in fairness I should say that the Government has also receded from some of the positions it has taken. So that there has been give-and-take on both sides. Although, as is always the case in any negotiation in which I engage, it always seems to me that those on my side are a little more reasonable than those on the other, I think everyone has attempted to adjust such differences as could be adjusted.

We have, in that process, we think gone to the limit, the absolute limit of what we can do, and be consistent with the Court's opinion, adhere to its principles, and protect

[fol. 3801] the rights of our clients. There are still some differences that exist between us, and I assume that those will be presented to the Court this afternoon. We think we know what some of those differences are, but the Government has given us, this afternoon when we came into the courtroom, a memorandum, and until we have examined that memorandum we cannot be absolutely sure that what we believe to be the differences are the only differences that exist between us. However, may it please the Court, I am prepared to discuss this afternoon such differences as there may be, and I am prepared to go about that in any way the Court suggests.

I suppose perhaps at this point I have said all that I should say, and the question is now how we become acquainted with Mr. Reycraft's objections.

STATEMENT ON BEHALF OF CHRISTIANA AND DELAWARE BY MR. BUSHBY

Mr. Bushby: If the Court please, I would like to state the position of the holding companies, Christiana and Delaware, with respect to the form of judgment which has been tendered to the Court this afternoon by the duPont Company.

Christiana and Delaware adhere to the position they took from the beginning of the relief hearings, that there having been no finding against them of violation of the Clayton Act or any other statute, that the Court is without power to [fol. 3802] enter relief against them. However, the two companies want to continue their cooperation with the Court and with the parties in having a sensible judgment along the lines that your Honor dictated in the decision. Accordingly we consent to this decree which has been tendered by duPont, but to no other or further relief in case this judgment should not be entered, or, having been entered, should be overturned on appeal.

STATEMENT ON BEHALF OF GENERAL MOTORS BY MR. TIERNEY

Mr. Tierney: May it please the Court, General Motors has cooperated with the Government as best it could in all of the formation of this decree. We understand that this is a hearing on a judgment that will conform with your

Honor's opinion. We are still of the same position that we took in the hearing in which your Honor decided against us. We are still of the position that this Court can enter no judgment against General Motors, inasmuch as it is not a violator.

So far as this decree that is submitted by duPont is concerned, we have gone with the Government as far as we can possibly go, and whatever changes are made in the decree which duPont has submitted to your Honor, which was arrived at after considerable work—whatever changes are made in that will have to be made by your Honor, and not by agreement with the Government.

[fol. 3803] Mr. Reycraft: Pursuant to your Honor's instructions we have prepared written objections to the judgment which I would like to file.

The Court: They may be filed, and may I have a copy?

Mr. Reycraft: Yes, sir.

I would like to say to your Honor, with respect to the working draft which Mr. Cox has been kind enough to prepare, that the only difference between the matter set forth in the working draft and our memorandum is contained in Section XI with respect to the type of reports which we ask be submitted.

I am also pleased to cooperate with your Honor in any way in taking up the objections. I think they are covered fully in our memorandum, however, and so far as the Government is concerned, we would be satisfied to submit it on a memorandum.

COLLOQUY BETWEEN COURT AND COUNSEL

The Court: Well, do the defendants wish to discuss these Government objections? I understand you have just received them now.

Mr. Cox: We have just received the memorandum, may it please the Court. I think that as to many of the objections, Mr. Reycraft told us last Friday what many of them were.

Mr. Reycraft: I furnished to the parties, your Honor, the specific language to which we objected, and the specific [fol. 3804] language which we proposed. The defendants have had this language, I believe, since Thursday or Friday —I am not sure—Friday——

Mr. Cox: Well, we got it really, Mr. Reycraft, on Saturday morning.

Mr. Reycraft: All right. Well, the only change is, as I say, in Section XI with respect to the specific type of report which we think should be submitted.

Mr. Cox: I don't know how your Honor wishes to proceed. I was prepared, in the event that Mr. Reycraft made any oral description of these differences, to make an oral response.

The Court: Pardon me. Do I understand that you are only objecting to Section XI?

Mr. Reycraft: No, your Honor. I may say that this working draft which Mr. Cox has handed to your Honor——

Mr. Cox: Oh, wait a minute. I am sorry. I forgot, your Honor——

Mr. Reycraft: Maybe we are ahead of ourselves.

Mr. Cox: Yes. Mr. Reycraft has reminded me that we prepared a parallel column treatment of the provisions in our form of judgment which was submitted on Friday with the suggestions which we got Friday night or Saturday morning from Mr. Reycraft, for your Honor's convenience, and I forgot to hand it up.

[fol. 3805] Mr. Reycraft: All of our proposed changes, your Honor, are incorporated in this work paper with the exception of Section XI which we discuss in our memorandum. But other than that all the changes are in the working draft.

Mr. Tierney: If the Court please, inasmuch as we just received this legal memorandum of Mr. Reycraft's it would seem to me that in the interests of trying to get through here, if Mr. Reycraft would explain to your Honor these objections so that we could hear, without having had an opportunity to read the memorandum, then we would be prepared to answer them.

The Court: Would you like to discuss them orally?

Mr. Reycraft: I don't see any necessity for it. I could read Mr. Cox's language and read the Government's language. I think your Honor would probably want to examine them before ruling on them.

The Court: Well, I certainly would. I have received them now.

Mr. Reycraft: I may say, your Honor, that these objec-

tions are submitted in accordance with what Mr. Tierney advises were your Honor's wishes.

The Court: Of course, I could take them and give them some study and make my rulings on them.

Mr. Reycraft: That would be satisfactory to the Govern- [fol. 3806] ment, your Honor.

The Court: What do you think?

Mr. Cox: May it please the Court, at least in the respect that Mr. Reycraft has mentioned, that is to say the section of his that deals with reports by the defendant——

The Court: Section XI?

Mr. Cox: Section XI.

—he has come foreward today with a proposal which has been submitted to us for the first time this afternoon. Now at the very least I should like to have an opportunity to discuss that. I am prepared to say something about it this afternoon on the basis of my very brief examination of its provisions. What else may be in his memorandum that is new to us, I cannot be certain. Mr. Gribbon has pointed out to me that in one respect the memorandum seems to raise a point that we thought had been settled by agreement with the Government, that point having to do with a broad injunction against the two companies having any common employees.

Mr. Reycraft: Well, I may say, Mr. Cox, that on examining the Court's opinion on the last page, I think it is rather clearly called for that there should be a bar against common [fol. 3807] employees. I would leave that matter to the Court as to how it wished to treat it.

Mr. Cox: Well, I merely say that it was my understanding —I was not present, but I understood that had been agreed to at one time.

Mr. Reycraft: But, Mr. Cox, I don't think that I can agree to change the Court's opinion. I had understood that the Court's opinion did not call for this bar, but on reexamining the opinion before I came out here, I find that it does.

Mr. Cox: Well, my only point is that there may be other things of this kind in this memorandum which we don't know anything about now, and which we have had no opportunity to consider, and except to the extent I can deal with them on the basis of a very cursory examination of the

memorandum, we wouldn't have any opportunity to acquaint your Honor with our views.

I would like, I think, this afternoon to say something about this Report Section, which is Section XI, but otherwise I think there may be other points in here which we should at least have an opportunity to examine.

Mr. Cowen: Your Honor, may I make a suggestion? Why don't we adjourn until 3:00 o'clock and give everyone a chance to read the memorandum, and then we can decide whether we can dispose of this matter today, or whether [fol. 3808] we have to go over to another day.

The Court: Is that agreeable to you?

Mr. Cox: That is agreeable. I have no objection to that.

The Court: You may want a little more time. You may want until 3:30.

Mr. Cowen: Well, we can't tell that. About 3:00 o'clock we should know if we will need more time.

The Court: All right, the Court will be available, so the Court will recess until 3:00 o'clock.

(Thereupon a recess was taken to 3:00 o'clock p.m., at which time the following further proceedings were had herein:)

STATEMENT ON BEHALF OF DU PONT BY MR. COX

Mr. Cox: May it please the Court, with the Court's permission and in an attempt to move this matter forward, because we are not interested in any delay, I should like to discuss some of the objections which the Government has made in the memorandum which was given to us this afternoon.

I find upon examination of the memorandum that there are at least three or four instances—and perhaps more—in which the memorandum either raises points which we thought had been resolved by agreement, but apparently [fol. 3809] have not been resolved, or makes proposals which we saw for the first time at 2:00 o'clock when we walked into the courtroom. In those circumstances it seems to me desirable, unless the Court objects, and I should like to deal as briefly as I can with some of these points. I shall not deal with all of them because I think perhaps the differences will appear on the surface in the parallel-column memo-

randum which we gave the Court. There are two of them at the very beginning of the judgment, may it please the Court, that I can deal with together; that is, those are the objections which the Government makes to the form of words that we use in the recital which is on pages 1 and 2 of our draft judgment, and the Government's objection to the form of adjudication which is on page 3 of our judgment.

I am not going to try to discuss those differences in detail. I should merely like to make this observation to your Honor.

I think the form of words which we have used in our proposed judgment adheres strictly to what the Supreme Court said in both instances, and to what this Court has said on prior occasions. What the Government apparently wants to do is to read into those rather formal clauses certain inferences and conclusions and arguments which the Government, for some reason which I do not understand, is interested in.

[fol. 3810] Now, of course, may it please the Court, if all of the parties to this proceeding are going to try to put into those formal provisions of the judgment, all of the arguments and inferences and conclusions that they think they can draw from different passages of the Supreme Court's opinion, it would take weeks to draw those formal provisions, and you would have provisions that instead of covering slightly less than two pages, would probaly cover six pages. No purposes could be served by that process, and the Government makes no showing that any purpose would be served.

I think, if the Court looks at that language, the Court will see that this is simply an attempt, as I have said, to expand those purely formal provisions in some way so as to get some undisclosed advantage, collateral in character so far as I can see, from what the Court said. Now I don't propose to say anything more about those provisions at this time.

I should like to direct the Court's attention, if I may, next to what the Government wishes to do in connection with the definitions. This has to do with Paragraph A of Section I on page 2 of our form of judgment.

There the Government wishes to insert language that reads as follows:

> [fol. 3811] "The provisions of this judgment applicable to any defendant shall apply to such defendant and to each of its subsidiaries, officers, directors, employees, successors, assigns, and all other persons acting under, through, or for such defendant, and shall apply to operations and activities in or affecting commerce as defined by the antitrust laws of the United States."

Now that provision is either unnecessary, or it is an attempt to extend the adjudication and the action of this Court far beyond any issues that were determined here, and far beyond any issues that have even been tried or discussed in this hearing.

The provision is unnecessary because Rule 65(d) of the Rules of Civil Procedure gives the Government all the protection it needs in this respect. That rule provides that an injunction shall be binding upon the parties to an action, their officers, agents, servants, employees and attorneys, and upon those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise.

Now that rule is definitive and binding and under it the form of judgment which we have proposed would cover any [fol. 3812] subsidiaries of the defendant to the extent that they act as agents, or the defendants, or if they act with notice of the judgment, and in concert of participation with the defendants, and in doing so engage in any activities forbidden by the judgment. There is therefore no prospect whatsoever that our form of judgment is such that the defendants could use subsidiaries to evade its provisions. It is just not possible.

Now if a subsidiary does not fall under the standard of Rule 65(d), then there is grave doubt, I think—indeed probably more than grave doubt—whether this Court should attempt to enjoin it, or has any authority to enjoin it, because if there are any subsidiaries then the Government has not indicated what it has in mind. Those subsidiaries are not before this Court, and there have been no issues tried in this case about subsidiaries. We submit,

may it please the Court, that this language is not only unnecessary, but would be mischievous.

I think the same thing could be said of the last clause of that section of their proposal, where they say that:

> "Judgment shall apply to operations and activities in or affecting commerce as defined by the antitrust [fol. 3813] laws of the United States."

Well, of course that clause simply marks the utmost limits of the jurisdiction of this Court, but it doesn't have any place in this judgment. The judgment is clear; the Court has enjoined certain things, and has made it clear what it has enjoined. All this language would do would be to create confusion by laying a basis for argument as to whether some the things enjoined were in or affected commerce. We don't have any disposition to argue about that. What the Court has enjoined, it has enjoined. This language again would simply provide a basis for argument, and create confusion in the future, and is quite unnecessary.

Now the next provision that I intend to say anything about, may it please the Court, is the suggestion of the Government that has to do with the common directors. Now there I am glad to be in a position to say something which I hope will meet the Government's point.

They say on page 10 of the memorandum which they submitted this afternoon:

> "While the Government has no objection to the continuation on the board of directors of General Motors [fol. 3814] of the one interlocking director whose interests have been primarily indentified with General Motors, the record should be clear that the remaining interlocking directors whose interests have been identified primarily with duPont are required to resign from the board of directors of General Motors."

Now on that point I think that I can speak with authority with respect to four members of the board of the duPont Company whose interests have always been identified primarily with duPont. They are Mr. Walter Carpenter, Mr. Lammot du Pont Copeland, Mr. H. B. du Pont, and Mr. Emile du Pont.

So far as those men are concerned, I can say to the

Court definitely this afternoon that if our form of judgment is approved, and when and if the provisions of that form of judgment that have to do with interlocking directors become effective, then it is the intention of the four men whom I have named to resign from the board of General Motors, and to serve thereafter only on the board of duPont. So I hope that that will satisfy the Government with respect to that provision.

There is a fifth man, Mr. Donaldson Brown. I would not agree that he is a director whose interests have [fol. 3815] been identified primarily with duPont, but I am unable this afternoon, in any event, to make any statement about him, because Mr. Brown has been so seriously ill for a long period of time that it has not been possible for him to attend board meetings or otherwise to give any attention to business, so I cannot in candor say that I know anything about his intentions. But as to the four men I have spoken of, their intentions are clear, and I stated on the record the basis upon which the Court could consider this provision.

Now the Government has made another point about this particular provision of the judgment which is the matter that was the subject of the colloquy I had with Mr. Reycraft before we adjourned, and that has to do with whether there should be an injunction against common employees.

Mr. Reycraft is quite right, there is a statement in the opinion of this Court which suggests that to some degree there should be an injunction of that kind. We have tried to deal with that problem by providing, in the case of duPont, that it shall not have as a director, officer or employee any person who at any time after the expiration of ninety days following the effective date of this judgment, has served as a director or officer of General Motors. We [fol. 3816] did not include a blanket prohibition against the two companies having common employees for this reason, and we explained this to the Government and apparently there was a misunderstanding about it. In certain areas of the country there companies have plants in the same general areas. It is not uncommon for men who work in those plants to work simultaneously for both companies. They will work in the night shift for General Motors, and perhaps work in the daytime for duPont. Companies cannot tell, and do not try to inquire, and probably should not

inquire, how these thousands of employees spend their spare time. A provision that prohibited absolutely common employees would not only serve no purpose, but it would, in a literal sense, be unenforceable. There would be no way in which the companies could tell whether a man who was working on an assembly line in the General Motors plant on the night shift might not be mixing sulphuric acid or doing something in the duPont plant during the daytime. It is a point I am surprised that the Government should raise because I cannot believe that they really think that any purpose would be served by trying to enforce a provision of that kind. I think the provisions that we have go as far as is necessary to go in order to carry out the spirit of the Court's opinion.

[fol. 3817] Counsel for General Motors may be able and probably can explain to the Court in more detail the practical problems that would arise under the Government's proposal, but I think I have indicated the general nature of the problem.

If I appear to "thumb" a little bit, may it please the Court, I hope the Court will give me its indulgence, because I am trying to deal with this document which is rather strange to me, that the Government submitted this afternoon.

The Government makes another point which I would like to deal with now because it is another point on which I think I could perhaps advance the cause a trifle, and that has to do with Section VI of the proposed judgment, and that is the section, may it please the Court that contains an injunction, I think, against the companies and their officers and directors from exercising voting rights in respect to General Motors stock.

The Government wishes to insert at the appropriate place in that section the words in the clause which they or any of them hold "record or have the power to vote", the words, "or the power to direct a vote," and that is a change to which we have no objection. That is consistent with [fol. 3818] other provisions of the judgment, and we wouldn't complain about that. That is Paragraph A of Section VI.

I should now like to comment briefly on the Government's objections to the provisions in this judgment which have to do with the commercial relations between the two com-

panies. This raises questions which are of interest to both duPont and to General Motors, and indeed one of the most important questions raised by the——

The Court: What section is that?

Mr. Cox: This is Section V, may it please the Court, and it starts on page 6 of the form of judgment which we have submitted to the Court.

Now the first difference that arises there, arises in connection with (ii) in Paragraph A. Our form of judgment has a subparagraph (ii) which reads in effect that the two companies are enjoined from entering into any contract, agreement or understanding between them, "which grants to either duPont or General Motors exclusive patent rights or grants to duPont preferential rights to manufacture or sell any chemical discovery made by General Motors."

The Court will recall that in its opinion, page 83, it specifically referred to this particular kind of an injunctive [fol. 3819] provision, and said that it should be substantially similar to the injunctive provision which was proposed by the Government, and Paragraph IX of the judgment which it originally submitted to this Court and which embodied the plan of action which was before the Court on the trial, on the hearing on relief. And we complied exactly with what the Court said. We copied our Paragraph (ii) exactly from the provision which the Government itself proposed in its original injunction.

Now the Government comes along and wants to expand that provision. It wants to expand it in this way: it would like to change it so as to provide that it applies to any patent, product, process, discovery or technological information.

Now these words are so broad and they are so vague in their application that if they were included in the judgment and enforced they would probably make it impractical, really, for the two companies to have normal commercial relations. For example, if duPont should be doing some work for General Motors on special order—and the judgment, as I read it, doesn't purport to prohibit that—and General Motors wanted to give duPont some technological information about how to do that work, know-how, or something of that kind, then under this provision proposed by the [fol. 3820] Government the judgment would be violated un-

less General Motors somehow broadcast that information generally.

Now there isn't any point in a provision of that kind. We have used the language which the Government itself used, and which the Court said should be used.

There is another point about the Government's language: They want to expand this beyond chemical discoveries. Now there again the concept that it should be limited to chemical discoveries comes out of the provision that the Government originally submitted to this Court, and it is hard to see why the Government believes that anything else is necessary. The only evidence in this case which could support this provision is evidence that has to do with chemical discoveries, and it is clear to us from the Court's opinion that that was a matter to which the Court's attention was directed when it provided that this kind of a provision should be in the judgment.

But there is another even more fundamental trouble with this (ii) paragraph which the Government has proposed, and that arises because of its relationship to Paragraph C of this same Section V.

Now Paragraph C, may it please the Court, is a section [fol. 3821] which purports and which does prohibit duPont from dealing with General Motors on a preferential basis. It is another provision that the Court directed should be included in the judgment.

What the Government has done in its proposed Paragraph (ii) is to import into that suggested paragraph another broad provision against preferential dealings between duPont and General Motors, so that as a result you have two provisions in the judgment both dealing with the same subject matter, and dealing with it in different terms. I would hope that everyone would agree that as a general proposition it is a mistake when drafting an instrument to deal with the same subject twice in different terms because that is the way difficulties or disputes arise. If the Government's (ii) is included in this judgment, then I think no one will know in any given case whether that provision applies, or whether Paragraph C of Section V applies. That seems to me a very powerful reason for confining Paragraph (ii) to the precise and exact subject matter which was delineated in the Court's opinion which is what we have done in our provision.

Now there is another difference that arises between us, apparently, with respect to Paragraph C to which I have just referred which is the general prohibition against [fol. 3822] duPont dealing with General Motors on a preferential basis.

In the first place the Government, the Court will notice from page 7 of this parallel-column treatment, wishes to extend that provision in this way: Our form of language relates to, "any product developed by duPont." The Government wishes to take that language out so that it will apply, apparently, on all products.

Now this change does represent, it seems to us, a reversal of the Government's prior attitude in this case. It was always argued that the real danger here was that duPont might develop some startling product that would give General Motors a competitive advantage, and then deal with General Motors with respect to that product on a preferential basis.

On page 84 of the Court's opinion in this case the Court discussed the Government's contention in exactly those terms, and as we read that passage the Court in effect directed that this provision of the judgment should be directed to that danger, and it is that danger which is dealt with by our language.

Now, why should this particular language be extended to all products? If a product isn't developed by duPont presumably it is a product that is commercially available from a lot of sources. Some common or fungible acid, for example.

[fol. 3823] Now any preferential arrangement between duPont and General Motors as to that commodity would have no real competitive effect because the commodity is generally available to General Motors' competitors in the market.

I think that here again what apparently the Government is trying to do is in some way to write into this judgment a provision, something that would take the place of the Robinson-Patman Act as to every product that anybody could conceivably think of, whether it was something that was developed by duPont or not, and we submit that that is not the function of this judgment.

There is another very serious change that the Government would like to make in this Paragraph C. That occurs

in the very last clause. The Court will note that the prohibition is a prohibition against dealing with General Motors, "on terms or conditions more favorable than those on which duPont is willing to deal with competitors of General Motors." That is the way our form of judgment reads.

The Government suggests that it should read, "* * * more favorable than those on which duPont is willing to deal with any other company".

[fol. 3824] Now I think the Court will see immediately that there is a vast difference between those two provisions, and that the Government's suggestion would create insuperable practical problems to any normal commercial relations.

The Government knows—we have explained it to them—that in ordinary and normal commercial practice, a company like duPont will do development work with a motor car company, and the motor car company will come to it and ask them to develop a particular color or a particular plastic form of some kind, and they will work together to develop it. Now, duPont does that for all motor car companies, and it would do it for any motor car company that competed with General Motors, or it would do it for any refrigerator manufacturer, and it should do it for anyone who competes with General Motors. But to say as the Government does, that because it does that kind of work for General Motors, it must do it not only for the competitors of General Motors, but it must do it for people who do not compete with General Motors, and who do not stand in any kind of a competitive relationship with General Motors, direct or indirect, is really economic business nonsense. It would mean, for example, that duPont would have to carry on that kind of development work for a man who ran a retail paint [fol. 3825] store that did any kind of development work for General Motors, and that is another provision that would not only destroy, I think, all normal commercial relations between the two companies, but probably would be unenforceable as a practical matter.

This provision should be directed to competitive conditions, and the duPont Company is willing to have it directed to competitive conditions in the fullest scope and sweep that the language can accomplish, but it should not go beyond dealing with competitive conditions, and when the Government suggests that it should, it seems to me they are going

far beyond the limits to which this judgment should be confined.

I think those are the principal differences that arise with respect to Section V.

There is another very important difference which has to do with a new subparagraph D which the Government wishes to add which would operate against General Motors, but I take it that is a subject with which counsel for General Motors will deal.

I think in view of the position that the Government has taken on Section V there is one additional comment I should make in the interests of clarity.

The Court will recall that subparagraph 1 of Paragraph A of Section V puts restrictions on duPont with respect to [fol. 3826] the making of requirements contracts with General Motors. Now those provisions apply expressly to requirements contracts between duPont and General Motors. They have no application to dealings between duPont and any other company.

The provisions of Paragraph C which enjoin duPont from dealing with General Motors on terms and conditions more favorable than those on which duPont is willing to deal with competitors of General Motors, are not, as we understand them, intended to interfere with the right of duPont to deal freely with competitors of General Motors, not General Motors, but with its competitors, on the basis of requirements contracts. I think that is clear from the language itself. I should like to state it on the record so that at least our understanding is apparent.

I should like now to come and deal generally with the question of reports which the Government would like to require the defendants in this case to make after the entry of the judgment.

This is one instance in which we were faced for the first time with a new proposal this afternoon. The Government's memorandum which they gave us this afternoon indicates that they want to have two provisions in the judgment dealing with reports.

[fol. 3827] The first provision would be a new subparagraph E of Section V, and that would read, "For purposes of securing compliance with the provisions of this Section, duPont and General Motors are each directed to furnish such reports concerning trade relations between them as

may be requested in writing by the Attorney General or the Assistant Attorney General in Charge of the Antitrust Division."

Now it was exactly that kind of a shotgun provision, unlimited, really, as to time, as to number of reports, and only the vaguest limitation as to subject matter—it was exactly that kind of a provision that Supreme Court in the Bausch & Lomb case—a citation which we can supply your Honor—held was too vague for judicial enforcement and was improper.

So that provision on its face, I think, has to be rejected just on the grounds of precedent.

Now the Government, however, has added to that another provision, and we have this very wide provision, and then perhaps because they began to have doubts about the validity of that provision under the Bausch & Lomb case, they come along on page 24 and 25 of their memorandum which they gave us this afternoon, where they are discussing the compliance section, and they propose another provision with [fol. 3828] respect to reports. This is on page 25 of their memorandum. This is a provision that will not be found in the parallel-column memorandum because it was not before us last week-end when we prepared it.

This new provision which is hardly consistent with the broad provision—at least in form—provides that:

> "For each year after the entry of this judgment, the defendants shall submit annual reports, pertaining to the following subject matter and including the following information and data, in writing to the Attorney General of the United States:"

Then the Government sets forth sub-specifications from (a) to (g), all relating to commercial relations, and then adds another paragraph, a subparagraph with respect to the voting rights.

Now I submit, may it please the Court, that this provision, although different in form, and specificity is not really different from the broad provision which the Supreme Court held improper in Bausch & Lomb. The reason it really isn't different is because when you examine the specifications you see that they are so broad and vague, and so burdensome, that it would really not, I think, be consistent

[fol. 3829] with the principles of equity to impose them on the duPont Company.

I would like to point out to the Court in this connection that this is not a question of whether the Government can get this information. It has an unlimited right, under the judgment, and under the powers of visitation, to get the information. It can interview our employees, and it can look at our books, and it has complete access to all of this information. This is simply a question of who has to assume the expense and bear the burden.

Now some of these things would really be impractical, and the expense, and the burden that would be involved would be enormous. For example, they want to know the amount of sales by duPont to other automotive manufacturers and suppliers to automotive manufacturers. The duPont Company would have no way of knowing the amount of sales to suppliers, and they would have no way of knowing how many of the people to whom they sell, sell to automotive manufacturers, and if there were a way of getting them, the expense and burden involved would be enormous.

The Government made a request of this kind at one time to us in connection with the discovery proceedings, and the burden was explained to them, and they backed away [fol. 3830] from it. They can get this if they want it, through their own efforts, to the extent it is available, but they should not be allowed to impose upon the duPont Company the kind of burden that these reporting requirements impose.

Take (f), and this is one that bears more directly on General Motors:

> "The amount and type of products purchased by General Motors from competitors of duPont."

Well, I remember, your Honor, that they submitted interrogatories on that point to General Motors before the trial on the merits. They didn't like the answers, and they thought they were inadequate and unsatisfactory, but those answers, I know represented an enormous burden and an enormous amount of work. It is my recollection that Mr. Hurd told me that General Motors spent several hundred thousand dollars trying to collect that information, information which was very difficult for it to collect, and which

the Government itself admitted in the end was probably unsatisfactory.

Now under this provision they could require both companies to do that year in and year out in perpetuity. I submit that so long as they can get this information themselves, which they can under the visitation clause, this re-
[fol. 3831] porting provision in the form that they have suggested is just as improper as the provision that was rejected by the Supreme Court in Bausch & Lomb. They have cited some cases here where they say that kind of thing was done. I have had a quick look at some of those cases, and a number of them that I know anything about are consent decrees, and of course the Court knows that the defendant sometimes agrees to things in a consent decree that he is not required to take in a litigated case.

I think before you could be confident that the provisions they are speaking of in those judgments are anything like these, you would have to look at them. They cited the Hilton case, a case on which I was engaged, and while there was a provision in that judgment for reports, in my recollection it is not the kind of provision that could, in the nature of things, whatever its form, impose the burden on the defendant that would be imposed by the provisions that the Government has suggested here. What I have said, of course, goes to both their proposal as to Section V and their later proposal as to Section XI, which is the compliance section.

Now there is one other general topic that I should like to discuss, and I think then perhaps I shall yield the floor to counsel for the other defendants.

[fol. 3832] That separates us from the Government with respect to what use they can make of information which they obtain under the provisions of this judgment. This question comes up with respect to Section XI of the judgment. It also comes up with certain proposals that they make with respect to the monitor, but I think I shall, in the first instance, direct my discussion to the point as it arises in connection with Section XI.

Now under that section the Government has very wide powers of visitation as I have indicated just a moment ago to the Court, to inspect books and records, take copies of them, interview employees; it has in effect substantially all

of the rights or perhaps more than we have under the Rules of Civil Procedure or in a grand jury proceeding.

In our form of Section XI which appears on page 18 of the parallel-column provision, we have provided first that these wide powers may be exercised "for the purpose of securing compliance with this judgment and for no other purpose." Now the Government wants to drop out the words "and for no other purpose", and I think the reason they want to becomes apparent when you turn to later provisions of their proposal.

[fol. 3833] Towards the end of that paragraph—this is on page 20 of the parallel-column memorandum—we provide, "No information obtained by means provided in this Section XI shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the department, except in the course of legal proceedings to which the United States of America is a party for the purpose of securing compliance with this judgment or as otherwise required by law."

Now by contrast the Government says it should provide, "No information obtained by the means provided in this Section XI shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the plaintiff * * *." In other words they say they should have a right to go in under this judgment and get information—perhaps incidentally for the purposes of the judgment, but really for some other purpose—and then broadcast it throughout the entire executive branch of the Government. And then they go on with a very small but transparent boobytrap and say that it shall not be disclosed, "except in the course of legal proceedings in which the United States is a party, for the purpose of securing compliance with this Judgment or as otherwise required by law."

[fol. 3834] Well, now, reading that sentence literally and giving the comma the sense that I am sure they intended it to have, what they are asking the Court is to give them the right to disclose any of this information any time they think it might help secure compliance with this judgment. They could give it to the press, or give it to a Congressional committee, or they could do anything they wanted to with it and justify it on the grounds they thought that was a

good way to secure compliance, by exposing the defendants to publicity or criticism.

Now this proposal, I think, is really intolerable. For years the judgments in antitrust cases entered by either consent or litigation have contained a provision with respect to disclosure of information exactly in the form in which we propose it, and we submit that that historic precedent should not be departed from.

There really is no justification, may it please the Court, for the Government attempting to use this judgment and the wide authority they have to pry, under it, into people's affairs to get information to deliver to Congressional committees or, for that matter, the Internal Revenue Service, so that it can use it in connection with tax matters, or so that it can be given to any other department of the Gov- [fol. 3835] ernment for some collateral purposes.

The processes of this Court, I submit, should be reserved for the purpose to which they should be directed, which is the enforcement of this particular decree, and no other purpose.

I need hardly remind the Court that Congress itself has recognized that when a citizen is required to give information to a particular agency of the Government, and that information is confidential in character, it is not unreasonable to prohibit that agency from turning it over to other agencies. That is true of the Internal Revenue Service, and it is true with the Census Bureau, by statute, and there is a general provision in the Federal Reports Act which puts very severe restrictions on the right of any Federal agency to turn over confidential information it gets from a citizen to some other Federal agency.

For all of those reasons, may it please the Court, we think that that particular provision which appears also in connection with a monitor, this particular proposal of the Government should be rejected.

Now if I can have just a moment to see whether I have covered the points that seem to be essential I think perhaps I shall finish.

May it please the Court, the citation in the Bausch & [fol. 3836] Lomb case to which I referred is 321 U.S. 707, and the relevant passages in the opinion are to be found in a note at page 718, and in a passage in the Court's opinion at page 728. There is one other difference between

us and the Government which I perhaps should comment on, which arises in relation to a very significant portion of the opinion, and that is Section IX which has to do with certain conditions under which the proceeding may be reopened. This, again, is another instance in which I think the parallel-column memorandum will not be useful because it appears from the memorandum that we got this afternoon that the differences between us and the Government are more substantial, and we didn't understand that, but they are more substantial than we understood them to be on Saturday morning.

As I understand the Government's memorandum which we got this afternoon, they wish to make two changes in that paragraph. "The provision in our paragraph, the first clause reads, "In the event that the policy of the Internal Revenue Service should change or legislation should be enacted so as to substantially eliminate the fax consequences of a distribution of the General Motors stock held by duPont (for example, as is now provided with respect [fol. 3837] to distributions required under the Public Utility Holding Company Act of 1935, as amended, or the Bank Holding Company Act of 1956),"—and then the provision reads on.

Now the Government would change that clause in two ways. In the first place they say that the introductory language should read, "In the event that any change in circumstances, legislative, interpretive, or otherwise, would significantly alter the tax consequences of a disposal of the General Motors stock held by duPont"—of course the word "alter" means if the tax burden increases, then the paragraph applies. I don't know whether the Government really means that or not, but it certainly is not consistent with what was said in the Court's opinion. Even if they had proposed—which they have not—that it should read, "would significantly lessen the tax consequences" we still think the language would not be consistent with the Court's opinion, because by a very small change in the income tax rate which might have very little effect on individuals you could perhaps bring about a significant diminution in the total tax bill, but as we read your Honor's opinion, your Honor was talking about something which would substantially eliminate it or at least move in that direction, and your Honor did, in your opinion, cite the two statutes which

[fol. 3838] we have inserted in the parenthetical clause merely as an example, and that is the other thing the Government would like to do. It would like to take those out. Now we are quite prepared to submit this controversy to your Honor simply on the basis of what was in your Honor's opinion. We think that the passage in that opinion is consistent with what we have proposed, and not consistent with what the Government has proposed on page 23 of its memeorandum.

I have tried, may it please the Court, and I fear in somewhat a profuse and disorganized way to deal with the particular points that strike me as arising on the face of the memorandum that the Government has submitted this afternoon. I will continue to look at it to see whether there are any other points that arise.

STATEMENT ON BEHALF OF GENERAL MOTORS BY MR. TIERNEY

Mr. Tierney: May it please the Court, I just have a few observations to make, your Honor.

We are wholly in accord with everything that Mr. Cox has said with respect to this proposed decree of the Government, and I want to reiterate that the decree that duPont has submitted to your Honor today is one that we believe conforms with your opinion.

And inasmuch as it does conform with your opinion, it is the decree that your Honor should enter.

[fol. 3839] I would like to address myself briefly to two sections of the Government's proposed changes in that decree, and those sections are Section V that deals with trade relations, and Section IX which deals with reporting, and Section XI which deals with visitorial powers. And while I will attempt in my fumbling way to take these up seriatim, V and then XI, probably what I have to say will overlap.

In the first place we contend that V as submitted by the duPont decree is in all respects, your Honor, in agreement with your opinion. As further proof of that we call your Honor's attention to what the Government had to say in its memorandum which they handed us at lunch, in which they practically admit that our Section V as submitted to your Honor, does conform with the opinion, because they say, speaking of those provisions, and if your Honor will turn to page 11 of their objections, they say, "The Government submits that the provisions of Section V as sub-

mitted by the defendants in their proposed Final Judgment are inadequate to comply with Paragraph 6 of this Court's opinion at page 101. The Court points out at page 83 of its opinion that trade relation injunctions are to be entered 'substantially along the lines of those suggested in Paragraph IX of the Government's proposed Judgment.' "
[fol. 3840] Then they say:

> "These provisions were submitted by the Government on the assumption that there would be ultimate divestiture"——

but they admit, your Honor, that what we have put in our Section V was exactly what they had in Section IX, and that is what your Honor said should go in this final judgment.

I call your attention to Section V, D. If you have the parallel-column document before you you will find that this is something that the Government has added in which they seek to enjoin General Motors specifically from doing certain things. We submit, your Honor—and I think I am prepared to explain from your Honor's own language—that it was never your Honor's intention to enter trade restriction injunctions against General Motors, because in your opinion you specifically say that the injunctions on these trade restrictions shall be entered against duPont.

Now we are in this position, your Honor: General Motors was not a violator of Section VII, as was not Delaware and Christiana, and because we were not violators of Section VII we believe that your Honor, as you said—and I will point it out to you—that you could not and should not [fol. 3841] enter the same type of injunctive restrictions against General Motors, Christiana or Delaware that you could against duPont.

On page 12 of your opinion—and I am reading from it, after discussing General Motors' position that no judgment could be entered against it—you say this:

> "For this reason the Court concludes that the Court has the power to grant the kind of relief against General Motors which is provided for in later passages of this opinion."——

you having said in the third line on that page:

> "The fact that General Motors has not violated Section 7 of the Clayton Act is a relevant consideration in determining the nature of the relief that might be granted against General Motors."

You recognize there that General Motors was in a different position than duPont. And on page 14 where you were discussing the position taken by Christiana and Delaware, by inference you recognize that General Motors was in a different position than duPont, for you say there, "The fact that the two corporations"—that is Christiana and Delaware—and General Motors is certainly in the same position because you said previously that they had not violated the law——

> "The fact that the two corporations have not vio-
> [fol. 3842] lated Section 7 should be taken into consideration in determining the nature and extent of relief that may be granted against them. Doubtless there are forms of relief which the Court should not, or perhaps could not, grant against Christiana and Delaware in view of the fact that they have not been found to have violated the antitrust laws."

Now, then, if you will turn to pages 82 and 83 of your opinion in which you specifically talk about injunctive provisions—and I am reading from the bottom of page 82—this what your language says:

> "In view of the fact that the Supreme Court found only a probability that du Pont's stock interest in General Motors was likely to result in a restraint of General Motors purchases of automotive fabrics and finishes, the Court is not satisfied that injunctive provisions relating to trade of the character and scope proposed by the Government are necessary. It believes, however, that in the circumstances they are appropriate and may well contribute to an elimination of the consequence offensive to the statute in accordance with the mandate of the Supreme Court. Accordingly provi-
> [fol. 3843] sions subsequently along the lines of those suggested in Paragraph IX of the Government's pro-

posed judgment should be incorporated in the final judgment."

And then on the bottom of page 84 you find:

"The Court finds no support for this suggestion either in the evidence taken at the trial in chief or in the evidence received or offered at the hearing on relief. Nevertheless, the Court will direct that the injunctive provisions in the final judgment relating to trade prohibit duPont from giving General Motors preferential access to any of its products or from selling to General Motors on terms more favorable than those made available to competitors of General Motors so long as duPont owns any stock in General Motors."

And then again on page 94, where you were talking about trade relations, you say this:

"It is out of deference, therefore, to the Government's naked suggestion that duPont might favor General Motors rather than on the basis of any proof that [fol. 3844] duPont has favored General Motors, that the Court proposes to include in the final judgment provisions which will specifically prohibit duPont from entering into preferential arrangements with General Motors and from offering any product or service" etc.

We say based on the language of your opinion, that the provision that duPont has offered, to which as to the form of it we have agreed, goes even beyond your opinion, because in the first Sections A and B, or particularly in Section A of I and II, that provision runs as against General Motors. But we say this provision, Section D, number one, is contrary to your Honor's opinion, and that your Honor's opinion has been covered and followed in the first sections of that opinion A-1 and 2, B and C and therefore it is contrary to your opinion that Section V, D be included.

Now, Mr. Cox has touched Section E. We say that that violates the plain language of what was said by the Supreme Court in the Bausch & Lomb case, because requiring reports of that indefiniteness was held in the Bausch & Lomb case to be improper.

Now the attempt of the Government to make that a little

bit different in the last section, this new Section XI fails, [fol. 3845] and as Mr. Cox pointed out it is much more indefinite than it was.

Now we find that on the last page of the Government's legal memorandum on page 25. Bear in mind this is requiring General Motors to make reports. We say, I repeat again, first of all that inasmuch as we were not a violator, we should not be required to make any report, and No. 2, if the reports that we are required to make are those called for by Sections (e), (f) and (g), that they are so indefinite that they fall by the language in Bausch & Lomb. No. 1, we should not be required to make reports because we are not violators; and No. 2, Bausch & Lomb has said that that requirement is unlawful.

Now, then, that leads me to the question of visitorial powers. The Government wants to have a look at General Motors' books and records for such purposes as they may see fit to use them. We object to that, your Honor, most strenuously. Your Honor may know as it is well known, that the Government is prosecuting cases against General Motors in New York, Detroit, and all over, and we also know that Mr. Biggs, the head of the Antitrust Division, made a statement recently before a committee of Congress that he proposes to use twenty per cent of the manpower and resources of the Antitrust Division [fol. 3846] to follow General Motors. We do not think that this decree should aid them in any of those purposes. We did not violate the law. And these visitorial powers—as I hope to point out to you from a recitation of what was said in the Bausch & Lomb case—are not provided for by the statute. They are powers that a court of equity may use in seeing that a violator of the law lives up to the judgment that is rendered against him, and only in that event. Otherwise, your Honor, you get into the question of unlawful search and seizure. We did not violate the law, and if there is any one provision in this decree that grates us more than any other, it is this one, that they have a right to snoop into our books and records.

The Court: That is not contained in the duPont decree, is it?

Mr. Tierney: No, sir.

Now, then, to summarize—and I have taken too much of your time—our position is this: That it was not the

purpose, from the language of this decree that Section V should have prohibitions against General Motors, and that inasmuch as we are not violators of the law we should not be treated in the same category by being required to make reports and being subject to visitorial powers.

[fol. 3847] There is one other thing: The Government proposes someplace in this proposed judgment that what information a monitor may receive shall be given to the Government and to the Government only, as he acts as a monitor. General Motors feels if such a provision as that—and we have one on it—we feel that any information that the monitor gets as to whether or not the vote has been passed through or whether or not General Motors has a director on its board—if we are doing anything that we should not do under that decree, and the monitor finds it, we should have those reports as well as the Government.

I will finish by saying this, your Honor, that I am permitted to say to you that Mr. Sloan will resign soon as a director of the duPont Company, and the Government now has that information and needs no further report.

Mr. Bushby: I want to support what Mr. Cox said in objecting to the Government's objections, and I think nothing further need be said.

STATEMENT ON BEHALF OF GENERAL MOTORS BY MR. BURNHAM

Mr. Burnham: Your Honor, just to wind up the matter of differences, I would like to touch on the voting provisions of Section VII, the mechanics of voting.

Before doing that there are two very minor points that I would like to turn my attention to, first at the top of [fol. 3848] page 6 of the parallel-column section we find that the Government has proposed an addition to Section IV which relates to the interlocking directors. The Government proposes that within thirty days after the ninety day period for complying with that provision, the parties shall file reports.

I would like to point out that since reports must be filed with the SEC, the Government is going to have this information anyway, and the monthly reports—I believe they are 8-K reports—will reveal exactly what happened on the boards and the officers of each of these companies.

So I see no reason whatsoever for that additional provision that the Government suggests.

Then, too, at the top of page 9 in the parallel-column material, there was a suggestion by the Government which apparently now has been abandoned in their memorandum, and so I suggest that to avoid confusion the Court might wish to note that that right-hand column on page 9 in the parallel-column material can be stricken.

I would now like to turn to the voting provisions. The voting provisions of Section VII, your Honor, were drafted after many, many conferences between the corporate law experts of both duPont and General Motors who recognized that they had here a problem, that is, a pass-through [fol. 3849] problem, that was unique and no one had really had to face this kind of thing before, and they spent many, many hours working out the mechanics which are proposed in Section VII. The Government has suggested a few changes in those mechanics, but unfortunately I fear the changes they suggest will muddy the waters rather than help.

I might add that not only were the duPont and General Motors' lawyers in on that, but so was Mr. Dallstream, as attorney, the amicus for the duPont stockholders, to see to it that their rights were properly protected. For example, your Honor, at the bottom of page 12a of the parallel-column material near the top, these duPont stockholders, of course, will be proxy holders in respect to General Motors. DuPont will exercise proxies which will go to these people, and they will then have the right to exercise the proxy.

Now a proxy holder, as your Honor knows, can appear at the meeting if he wishes, or he can send in the proxy indicating the vote, but the document that makes him a proxy holder must ultimately get to the corporation, or the man cannot vote because he is not a stockholder; he is a proxy holder. And so we have provided that the proxy should be turned over for the duPont stockholder to General Motors.

The Government proposes a change which I think will [fol. 3850] merely confuse the issue. Apparently it got in there because we have also provided that if outsiders are soliciting proxies, their proxy material will also go to these duPont people.

The Court: Was your suggestion incorporated in the duPont decree?

Mr. Burnham: Yes, sir. The suggestion in the duPont decree, your Honor, is exactly as drafted by duPont and General Motors. Similarly in Section VII, A there was a definition of the voting rights that these people would have. The Government says that they want that deleted. That, too, was put in to make it clear that these people are exercising the rights of proxy holders, which they are.

We have one provision in here which was not covered in your Honor's opinion because I suppose it was a thing that just had never come to anyone's attention. The Government objects to what we choose to call the automatic voting provisions which are set forth in VII, paragraph D. As your Honor is aware, by statute in Delaware and often by charter or by-law provision—and that appears at page 13, your Honor—certain corporate actions can be taken only if there is a vote of a specified proportion of the entire outstanding voting stock of the corporation.

[fol. 3851] Now, in the case of General Motors, historically they have been running a vote of about seventy-five to eighty per cent of the stock at their stockholders' meetings. By virtue of your Honor's decree, somewhere in the neighborhood of maybe eight per cent of the outstanding stock ordinarily is going to be sterilized, because Christiana, Delaware and certain others cannot exercise pass-through voting rights.

Now if we subtract that eight per cent from the about seventy-five per cent who normally vote at the General Motors stockholders' meetings, and if we subtract a couple of more per cent for the duPont stockholders who will fail to exercise pass-through votes for one reason or another, we find that it is conceivable that if something needed sixty-six and two-thirds per cent of the outstanding stock for approval, even if every stockholder who voted at the meeting voted in favor of it, there still would not be a vote of sixty-six and two-thirds per cent of the stock. The corporate action would be blocked by virtue of something which I am such was never thought of at the time the sterilization provisions were prepared.

Therefore we propose in this Paragraph D a very simple solution. We propose that on that kind of a vote, in those

[fol. 3852] instances where by statute, charter or by-law, a proportion of the outstanding stock must be voted in favor of a particular proposition, that in those instances the pass-through vote which would otherwise have gone to Christiana and Delaware, can be exercised but it is not to be exercised by them. We are mindful of your Honor's desire that there be no possibility of influence by duPont, Christiana or Delaware, and so we propose that that vote be cast in these few instances in exactly the same proprotion for and against the proposition as all other stockholders of General Motors vote. Thus there can be no possibility of influence, but it will avoid this technical problem which might otherwise exist, where even though everyone was in favor of the proposition, it fails for lack of a sufficient vote.

Therefore, your Honor, we suggest that the voting provisions of Section VII as presented to your Honor in the duPont decree, should be entered so that your Honor's intention will be achieved.

Thank you.

STATEMENT ON BEHALF OF UNITED STATES BY MR. REYCRAFT

Mr. Reycraft: I have only a few comments, your Honor.

The paragraph which was incorporated in the work paper with respect to subsidiaries is taken verbatim from a litigated decree in the General Electric case, and I sub-[fol. 3853] mit to your Honor that unless there is some subsidiary of duPont which is either presently existing or which may be hereafter formed, there is no confusion likely to result that this is necessary in order to bind fully duPont and all of its subsidiaries.

I might also add that with respect to the one remaining interlocking director whose status has not been clarified, we would object to his continuing on the board of General Motors.

I think I should also clarify Mr. Cox's remarks about requirements contracts with companies other than General Motors. We see nothing in this judgment which would permit such requirements contracts, and I assume that there is no authority in this judgment which would give any status to these contracts which they wouldn't have in

absence of the judgment and under the antitrust laws as they now are.

With respect to Paragraph IX the "significantly alter" line is exactly what your Honor said on page 101 of your opinion, and I have no further comments.

STATEMENT BY THE COURT

The Court: Well, the Court is going to have to study these objections and send you a memorandum on them, and then counsel will present the decree in accord with the Court's rulings. It will probably take several days.

Mr. Cox: There is one comment I might make, and only by way of explanation, may it please the Court. It has [fol. 3854] to do with Article XII which is the retention of jurisdiction clause. It relates to the last clause of that which provides that the Court retain jurisdiction for the purpose of fixing and allowing reasonable compensation to, and reimbursement of, reasonable and necessary expenses incurred by amici curiae here and for services performed, including those rendered in connection with the entry of this judgment. We were not sure that that was necessary, but it seemed to us an appropriate provision.

We were also aware that Mr. Dallstream still has pending with the Internal Revenue Service some questions about the take-down plan, and that when those questions are resolved we assume that there may be a possibility that he will wish to make some additional report or comments to the Court, and this language, of course, was intended to cover any services performed or expenses incurred in that connection. I think the language is broad enough to do that.

The Court: Is there anything further?

(No response.)

[fol. 3855] IN UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil Action No. 49 C 1071

UNITED STATES OF AMERICA, Plaintiff,

v.

E. I. DU PONT DE NEMOURS AND COMPANY; GENERAL MOTORS CORPORATION; CHRISTIANA SECURITIES COMPANY; AND DELAWARE REALTY AND INVESTMENT CORPORATION, Defendants

FINAL JUDGMENT—November 17, 1959

At Chicago, Illinois, in said Division and District on November 17, 1959.

Plaintiff having filed its complaint herein on June 30, 1949, and its amendments thereto on July 28, 1952 and January 16, 1953; all of the defendants having appeared and severally filed their answers to the amended complaint denying the substantive allegations thereof; this Court, on January 16, 1953, before the conclusion of the presentation of the plaintiff's case, having entered an order dismissing with prejudice the amended complaint as to certain individ-
[fol. 3856] ual defendants, and on February 16, 1953, at the close of the plaintiff's case, having entered an order dismissing without prejudice the amended complaint as to certain additional individual defendants, and on December 9, 1954, after trial, having entered a judgment herein dismissing this action as to all defendants; the plaintiff having appealed in certain respects from such judgment insofar as it applies to defendants E. I. du Pont de Nemours and Company, General Motors Corporation, Christiana Securities Company and Delaware Realty and Investment Company; the Supreme Court of the United States having held that there was a violation of Section 7 of the Clayton Act by defendant E. I. du Pont de Nemours and Company, and having remanded this cause to this Court for a determination after further hearing of the equitable relief necessary and appropriate in the public interest to eliminate effects offensive to the Clayton Act; this Court having held further hearings pursuant to the mandate of the Supreme Court of the United States and having

rendered an Opinion on October 2, 1959 which constitutes the Findings of Fact and Conclusions of Law;

Now, therefore, it is hereby Ordered, Adjudged and Decreed as Follows:

[fol. 3857] I

For the purposes of this Judgment:

A. "Du Pont" means E. I. du Pont de Nemours and Company; "General Motors" means General Motors Corporation; "Christiana" means Christiana Securities Company; "Delaware" means Delaware Realty and Investment Company.

B. "General Motors stock" means shares of General Motors stock of any class having voting rights.

C. "Du Pont stock" means shares of du Pont common stock having voting rights.

D. "General Motors stockholder" means any holder of record of General Motors stock.

E. "Du Pont stockholder" means any holder of record of du Pont stock.

II

In conformity with the mandate of the Supreme Court, the Judgment of this Court of December 9, 1954, which dismissed the amended complaint finding no violation of Section 1 or Section 2 of the Sherman Act or Section 7 of the Clayton Act, is hereby vacated insofar as it adjudges du Pont not to have violated Section 7 of the Clayton Act, [fol. 3858] and it is hereby adjudicated that du Pont has violated Section 7 of the Clayton Act because, at the time of suit, there was a reasonable probability that its acquisition of General Motors stock was likely to result in the restraints condemned by that Section in the line of commerce consisting of automotive fabrics and finishes.

III

Du Pont and Christiana are each hereby directed to perform the acts and to take the steps provided for hereinafter in this Judgment to divest itself of all rights and interest in the General Motors stock which each owns except bare legal title, the right to receive dividends, the right to participate in the distribution of assets upon dissolution and

any other right or interest which is reserved to them or either of them under the provisions of this Judgment. Du Pont, Christiana and Delaware are each hereby enjoined and restrained (i) from acquiring, directly or indirectly, any General Motors stock except such stock as may be distributed by General Motors with respect to General Motors stock held by them or as may be acquired by the exercise of rights issued with respect to such stock, provided that any stock so acquired shall be subject to all of the provisions of this Judgment in the same manner and to the same extent as if du Pont, Christiana or Delaware had owned such stock on [fol. 3859] the effective date of this Judgment, and (ii) from using or attempting to use, directly or indirectly, the stock ownership of du Pont or Christiana in General Motors, to influence or control General Motors in any manner whatsoever.

IV

A. General Motors is hereby enjoined and restrained from knowingly having as a director, officer, or employee any person who at any time after the expiration of ninety (90) days following the effective date of this Judgment has served as a director or officer of du Pont, Christiana or Delaware, and from knowingly having as an employee any person who is at the same time an employee of du Pont, Christiana or Delaware.

B. Du Pont, Christiana and Delaware are each hereby enjoined and restrained from knowingly having as a director, officer, or employee any person who at any time after the expiration of ninety (90) days following the effective date of this Judgment has served as a director or officer of General Motors, and from knowingly having as an employee any person who is at the same time an employee of General Motors.

[fol. 3860] C. Du Pont, Christiana and Delaware and their officers and directors are hereby enjoined and restrained from nominating any person for election as a director of General Motors or from proposing any person for a position as an officer of General Motors.

D. All persons who are required by the provisions of Paragraphs A or B of this Section IV to terminate their positions as directors, officers or employees of General Motors, du Pont, Christiana or Delaware are hereby en-

joined and restrained from influencing or participating in the selection, nomination or election of persons to fill any of the vacancies created by resignations required by the provisions of Paragraphs A or B of this Section IV in the company with which such person has terminated his association.

E. General Motors, du Pont, Christiana and Delaware shall be allowed ninety (90) days following the effective date of this Judgement to effect compliance with the provisions of this Section IV, and within thirty (30) days thereafter shall file with this Court a report, and furnish a copy of such report to the Attorney General, setting forth the action taken to effect such compliance.

V

A. Du Pont and General Motors shall cancel and terminate, within ninety (90) days following the effective date [fol. 3861] of this Judgment, and, so long as du Pont, Christiana or Delaware owns, directly or indirectly, any General Motors stock, du Pont and General Motors are enjoined and restrained from entering into, any contract, agreement, or understanding between them

(i) which requires General Motors to purchase from du Pont any specified percentage of its requirements of any product, provided that following the expiration of three (3) years from the effective date of this Judgment they may enter into such contracts if limited to a period not longer than one calendar year or one automobile model year, or

(ii) which grants to either du Pont or General Motors exclusive patent rights or grants to du Pont preferential rights to manufacture or sell any chemical discovery made by General Motors.

B. Du Pont, Christiana and Delaware are each enjoined and restrained so long as du Pont, Christiana or Delaware owns, directly or indirectly, any General Motors stock from entering into or continuing any agreement, understanding or arrangement with General Motors for ownership or operation of any commercial, manufacturing or other business enterprise and from knowingly holding stock in any such enterprise in which General Motors holds stock, and [fol. 3862] General Motors is enjoined and restrained dur-

ing such period from entering into or continuing any such agreement, understanding or arrangement with du Pont, Christiana or Delaware and from knowingly holding stock in any commercial, manufacturing or other business enterprise in which du Pont, Christiana or Delaware holds stock.

C. Du Pont is hereby enjoined and restrained, so long as du Pont, Christiana or Delaware owns, directly or indirectly, any general Motors stock, from dealing with General Motors with respect to any product developed by du Pont or any patent, process or discovery owned by du Pont or as to which du Pont has any proprietary interest, on terms or conditions more favorable than those on which du Pont is willing to deal with competitors of General Motors.

D. General Motors is hereby enjoined and restrained, so long as du Pont, Christiana or Delaware owns, directly or indirectly, any stock in General Motors, from dealing with du Pont with respect to any product developed by General Motors or any patent, process or discovery owned by General Motors or as to which General Motors has any proprietary interest, on terms or conditions more favorable than those on which General Motors is willing to deal with competitors of du Pont.

[fol. 3863] VI

A. Du Pont, Christiana and Delaware, and all persons who are directors or officers of du Pont, Christiana or Delaware, and the members of the family of any such director or officer who reside in the same household with him, are each hereby enjoined and restrained from exercising, directly or indirectly, voting rights in respect of General Motors stock which they or any of them hold of record or have the power to vote or the power to direct the vote, or would have the power to vote under the provisions of Section VII of this Judgment, and from attempting to influence, directly or indirectly, any person in any manner with respect to exercising voting rights in respect of any General Motors stock, provided however that nothing in this Paragraph shall prevent du Pont from performing acts required to be performed by the provisions of Section VII of this Judgment.

B. Du Pont, Christiana and Delaware are each hereby directed to give General Motors notice, promptly after

the record date for each annual or special meeting of the stockholders of General Motors or other occasion on which General Motors stockholders are entitled to vote, of the names of the record holders, as of such record date, of [fol. 3864] the General Motors stock which is not to be voted in compliance with the provisions of Paragraph A of this Section VI together with an identification of the shares of General Motors stock held of record by them that are subject to such provisions. Except as provided in Section VII of this Judgment, or unless otherwise directed by this Court or any other court of competent jurisdiction, General Motors is hereby directed to disqualify any record holder of General Motors stock named in such notice from voting, either in person or by proxy, the shares of General Motors stock identified therein, at the annual or special meeting or other occasion for which such notice was given. General Motors shall be entitled to rely exclusively in complying with this Section VI upon the notices to be furnished to it by du Pont, Christiana and Delaware.

C. The provisions of this Section VI shall remain effective so long as du Pont, Christiana or Delaware owns, directly or indirectly, any General Motors stock.

VII

A. The voting rights of the General Motors stock held by du Pont, or which may be acquired by du Pont in accordance with the provisions of Section III of this Judg- [fol. 3865] ment, shall be exercised in the manner provided in this Section VII by the du Pont stockholders as of the record date for the determination of General Motors stockholders entitled to vote except as prohibited by Paragraph A of Section VI of this Judgment and except that such voting rights shall not be exercised in favor of the election of any person nominated or designated by, or held out in any way to be a representative of, du Pont.

B. The number of shares of General Motors stock held by du Pont to be voted by each du Pont stockholder entitled to exercise such voting rights shall be determined, as of the record date for the determination of General Motors stockholders entitled to vote, as follows:

The number of shares of General Motors stock held by du Pont at such date shall be divided by the number

of shares of all du Pont stock outstanding and which would be entitled to vote at a meeting of du Pont stockholders as of such date, and each du Pont stockholder entitled to exercise the voting rights of the General Motors stock held by du Pont shall be entitled to vote the number of General Motors shares determined by multiplying the quotient by the number of shares of du Pont stock owned of record by such stockholder at such date.

[fol. 3866] C. The following steps shall be taken prior to each annual or special meeting of General Motors stockholders and prior to any other occasion on which General Motors stockholders are entitled to vote:

(1) Du Pont shall execute such instruments and take such other steps as may be necessary to authorize each du Pont stockholder who is entitled to vote the General Motors stock held by du Pont at the said meeting of the stockholders of General Motors, or other occasion, to vote in the manner hereinafter provided in this Section VII, the number of shares of General Motors stock held by du Pont as determined for each such stockholder in accordance with Paragraph B above, and du Pont shall furnish to General Motors evidence of such authorization in form satisfactory to General Motors.

(2) Du Pont shall arrange to furnish, at its own expense, to each such stockholder a copy of the Notice of Meeting, Proxy Statement, proxy or proxies (which will represent such number of shares of General Motors stock as are determined for each such stockholder in [fol. 3867] accordance with Paragraph B above and shall be modified or supplemented in such manner as to empower each such stockholder freely and effectively to exercise the voting rights with respect to such shares of General Motors stock), and other proxy soliciting material prepared by General Motors for distribution to its stockholders in connection with any annual or special meeting or any other occasion on which General Motors stockholders are entitled to vote; shall arrange to furnish, at its own expense, to its stockholders such material as has been prepared by any person or group of persons making a solicitation of General Motors

stockholders under and subject to applicable regulations of the Securities and Exchange Commission so as to achieve among du Pont stockholders, substantially the same coverage as will be achieved among General Motors stockholders by the person or group of persons making such solicitation; shall arrange to inform each such stockholder of the approximate number of shares of General Motors stock which the holder of each share of du Pont stock is entitled to vote hereunder as [fol. 3868] such proxy holder; and shall arrange to notify each such stockholder of his right, in accordance with the provisions of this Section VII, to vote as such proxy holder and the means of exercising such right. The aggregate number of shares of General Motors stock evidenced by such proxies shall be voted to the last full share.

(3) Du Pont shall also arrange to furnish each such stockholder, at or prior to the time it furnishes the proxy soliciting material for each annual meeting of the stockholders of General Motors, a copy of the latest Annual Report of General Motors.

(4) Copies of all such material shall be furnished by du Pont to the Department of Justice at the same time as it is transmitted to stockholders of du Pont.

D. Anything to the contrary in this Judgment notwithstanding, if it shall appear to General Motors that the provisions of Paragraph A of Section VI may result in impeding the carrying out of any proposed corporate action required by law or by the certificate of incorporation or by-laws of General Motors to be approved by a vote of a specified portion of the outstanding General Motors [fol. 3869] stock entitled to vote, General Motors may apply to this Court for appropriate relief, after due notice and opportunity for hearing thereon, whereby the General Motors stock which, but for the prohibitions of said Paragraph A, could be voted by Christiana and Delaware as du Pont stockholders, may be represented and voted in respect of such proposed corporate action under such regulations and provisions as the Court shall specify; provided, however, that in no event shall any of the persons prohibited from voting General Motors stock by said

Paragraph A be permitted to exercise any discretion as to how such stock shall be voted.

E. Du Pont and General Motors are each hereby directed to take all necessary and appropriate action to facilitate the exercise of voting rights of the General Motors stock owned by du Pont in accordance with the provisions of Sections VI and VII of this Judgment, which Sections shall not apply with respect to any annual or special meeting of General Motors held within one hundred and twenty (120) days from the effective date of this Judgment. In the event that General Motors deems it necessary to call a special meeting of stockholders within such one hundred and twenty (120) day period, the Department of Justice [fol. 3870] shall be given notice thereof and be informed of the purpose therefor at least twenty (20) days in advance of such meeting.

F. Within thirty (30) days from the effective date of this Judgment the Court will appoint a Monitor of the voting provisions of this Judgment. It shall be the duty of the Monitor to observe the operation of such provisions and to report to the Court following each General Motors annual or special meeting, or other occasion on which General Motors stockholders are entitled to vote, copies of which report shall be made available to the parties hereto. Du Pont, Christiana, Delaware and General Motors are required to cooperate with the Monitor in the execution of his duties. No information obtained by the Monitor in the execution of his duties hereunder shall be disclosed except to the extent necessary in the preparation and submission of the reports to the Court provided for above and upon written request of the Attorney General of the United States or his authorized representative. The Monitor shall provide all parties hereto with copies of all information submitted in response to such requests. No information obtained by means provided in this Paragraph F shall be divulged by any party or by any representative of the Department of Justice to any person other than a duly [fol. 3871] authorized representative of the Department, except in the course of legal proceedings to which the United States of America is a party for the purpose of securing compliance with this Judgment or as otherwise required by law.

G. The expenses incurred by General Motors in carrying out the voting provisions of this Judgment shall, when approved by this Court, be paid by du Pont. The Monitor shall be entitled to receive reasonable compensation for services rendered hereunder and to reimbursement for reasonable and necessary expenses incurred in connection therewith, which compensation and reimbursement shall be fixed and allowed by this Court from time to time, and when approved by the Court shall be paid by du Pont.

VIII

Du Pont and Christiana shall each be authorized at any time or from time to time to sell or otherwise dispose of, for its own account, all or any part of the General Motors stock held by each of them provided, however, that du Pont or Christiana, as the case may be, shall prior to any disposition notify the Attorney General of the terms and conditions of the disposition including the identity of the prospective purchaser or transferee if known, except that prior notification shall not be required for any single disposition of fifty thousand (50,000) shares or less of Gen- [fol. 3872] eral Motors stock unless the number of shares to be disposed of plus the number of shares disposed of in the preceding twelve-month period exceeds two hundred thousand (200,000) shares of General Motors stock, and provided further that in the event the Attorney General interposes an objection such disposition shall not be consummated until first approved by this Court after reasonable notice to all parties. No information as to any proposed disposition supplied to the Attorney General pursuant to this Section VIII shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department except in connection with proceedings to which the United States of America is a party in which objection is made to such disposition or as otherwise required by law.

IX

In the event that legislation should be enacted (for example, as is now provided with respect to distributions required under the Public Utility Holding Company Act of 1935, as amended, or the Bank Holding Company Act

of 1956), or there should be a change in regulations or [fol. 3873] rulings of the Internal Revenue Service, which would substantially and significantly ameliorate the existing inequitable and burdensome tax consequences to du Pont stockholders attendant upon a distribution or other disposition of General Motors shares to du Pont stockholders, so as to make feasible and equitable a program or programs for such a distribution or disposition, or if the provisions of this Judgment should prove inadequate to remedy the violation of the Clayton Act, any party hereto may apply to this Court for modification of this Judgment in light of the circumstances then existing.

X

A. Du Pont, Christiana and Delaware are each hereby directed to secure from its respective directors and officers written consents to be bound by the voting provisions of this Judgment, such consents to be executed by each such director and officer and by each member of his family residing in the same household with him who holds power to vote or to direct the vote of any du Pont or General Motors stock and to be submitted to du Pont, Christiana or Delaware, as the case may be, and filed with this Court, within one hundred and twenty (120) days following the effective date [fol. 3874] of this Judgment, and within thirty (30) days following the initial election of a director or officer, and within thirty (30) days after the occurrence of an event which requires a consent to be executed and submitted on behalf of a member of the family of a director or officer in accordance with the provisions of this Paragraph.

B. Du Pont, Christiana and Delaware are each hereby enjoined and restrained from having as a director or officer any person who fails to file consents executed by him and by the members of his family living in the same household with him in accordance with the provisions of Paragraph A of this Section X.

C. Du Pont, Christiana and Delaware are each hereby directed to provide a copy of this Judgment to each of its respective directors and officers and to each adult member of the family of each such director and officer residing in the same household with him within ninety (90) days following the effective date of this Judgment and within

thirty (30) days following the initial election of a director or officer.

D. Du Pont and General Motors are each hereby directed to provide a copy of this Judgment to each of their respective subsidiaries within thirty (30) days following the effective date of this Judgment.

[fol. 3875] XI

For the purpose of securing compliance with this Judgment and for no other purpose, and subject to any legally recognized privilege, duly authorized representatives of the Department of Justice shall be permitted, upon written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice as to time and subject matter to du Pont, Christiana or Delaware at their respective principal offices, (1) to inspect during office hours all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of du Pont, Christiana or Delaware relating to any provisions of this Judgment, during which time counsel for du Pont, Christiana or Delaware, as the case may be, may be present; and (2) subject to the reasonable convenience of du Pont, Christiana or Delaware, and without restraint or interference from them, to interview regarding any such provisions any officer or employee of du Pont, Christiana or Delaware, who, together with du Pont, Christiana or Delaware, as the case may be, may have counsel present. The Attorney General or the Assistant Attorney General in charge of the [fol. 3876] Antitrust Division may apply to this Court from time to time for an order, upon good cause shown and after due notice and opportunity for hearing thereon, authorizing similar inspection of records and documents of General Motors and/or similar interviewing of officers and employees of General Motors, for such purposes and within such limits as may then be reasonably necessary to enforcement of this Judgment.

B. The Attorney General or the Assistant Attorney General in charge of the Antitrust Division may apply to this Court from time to time for an order, upon good cause shown and after due notice and opportunity for hearing thereon, requiring any defendant to submit in writing

such report or reports with respect to matters contained in this Judgment as may then be reasonably necessary to enforcement of this Judgment.

C. No information obtained by means provided in this Section XI shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department, except in the course of legal proceedings to which the United States of America is a party for the purpose of securing compliance with this Judgment or as otherwise required by law.

[fol. 3877] XII

Jurisdiction is retained in order to enable any party hereto or any person enjoined or restrained hereby to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Judgment, for the modification or termination of this Judgment or any of the provisions thereof, or for the enforcement of compliance therewith and punishment of any violations thereof, and for the purpose of determining and assessing proper costs and allowances in this cause.

The effective date of this Judgment shall be 12:01 A.M., November 18, 1959.

Walter J. La Buy, Judge of the United States District Court.

[fol. 3878] IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

ORDER OF APPOINTMENT OF MONITOR—DECEMBER 10, 1959.

Pursuant to Paragraph F of Section VII of the Final Judgment entered herein on November 17, 1959, providing for the appointment of a Monitor of the voting provisions of said Judgment, it is

Ordered, that Scott W. Lucas be and he is hereby appointed Monitor, pursuant to said Paragraph F of Section VII of the Final Judgment, with all the powers and duties therein provided to be observed and exercised by such Monitor, including, without limiting the generality of

the foregoing, the duty to observe the operation of the voting provisions of the Final Judgment (and in the event the Monitor shall have any question with respect to his powers and duties or shall encounter any practical difficulties with respect to exercising or observing the same to apply to this Court from time to time for instructions of the Court with respect thereto), to review the actions taken by E. I. du Pont de Nemours and Company pursuant to Paragraph C of Section VII of the Final Judgment, to ascertain whether the stockholders of du Pont have been empowered freely and effectively to exercise voting rights on General Motors shares in accordance with Paragraphs A and B of Section VII of the Final Judgment, to ascertain whether such voting rights have been exercised in favor of the election of any person nominated or designated by, or held out in any way to be a representative of E. I. du Pont [fols. 3879-3881] de Nemours and Company, to ascertain whether the prohibitions of Paragraph A of Section VI of the Final Judgment have been observed, and to take such further action as he may deem necessary or appropriate to observe, and, following each General Motors Corporation annual or special meeting of stockholders, or other occasion on which General Motors Corporation stockholders are entitled to vote, report to the Court (with copies to each of the parties to this cause) with respect to, the effectiveness of the voting provisions of the Final Judgment and to make appropriate recommendations to the Court with respect thereto. No information obtained by the Monitor in the execution of his duties hereunder shall be disclosed except to the extent necessary in the preparation and submission of the reports to the Court provided for above and upon written request of the Attorney General of the United States or his authorized representative. The Monitor shall provide all parties hereto with copies of all information submitted in response to such requests.

S/ Walter J. La Buy, Judge, United States District Court.

December 10, 1959.

[fol. 3882] [File Endorsemen Omitted]

IN UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINIOS, EASTERN DIVISION

Civil Action No. 49 C 1071

UNITED STATES OF AMERICA, Plaintiff,

v.

E. I. DU PONT DE NEMOURS AND COMPANY, GENERAL MOTORS CORPORATION, ET AL., Defendants

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED STATES—FILED JANUARY 14, 1960

I. Notice is hereby given that the United States of America, the plaintiff above named, hereby appeals to the Supreme Court of the United States from the final judgment entered in this action on November 17, 1959.

This appeal is taken pursuant to 15 U.S.C. 29.

II. The clerk will please prepare a transcript of the record in this cause, for transmission to the Clerk of the Supreme Court of the United States, and include in said transcript the following:

1. Judgment of United States Supreme Court, filed July 18, 1957.

2. Transcript of pre-trial conference held September 25, 1957.

3. Order appointing *amici curiae* and fixing time for filing plans for compliance, entered September 25, 1957.

4. Order marking Government's proposed final judgment filed as of October 25, 1957, entered June 26, 1959.

5. Order directing that ruling be obtained as to federal income tax consequences of plaintiff's proposed judgment, entered November 21, 1957.

[fol. 3883] 6. Memorandum of du Pont, filed May 4, 1958.

7. Report and recommendations of Andrew J. Dallstream, *amicus curiae*, filed August 7, 1958.

8. Order directing that ruling be obtained as to federal income tax consequences of judgment proposed by Andrew J. Dallstream, entered August 8, 1958.

9. Report and recommendation of Manuel E. Cowen, *amicus curiae*, filed August 14, 1958.

10. Motion for order directing *amicus curiae* Dallstream to make available to all parties the results of his investigation, filed September 26, 1958.

11. Motion for order directing *amicus curiae* Cowen to make available to all parties the results of his investigation, filed September 26, 1958.

12. Transcript of pre-trial conference held October 30, 1958.

13. Memorandum of court with reference to plaintiff's motion for preliminary injunction, filed November 3, 1958.

14. Transcript of pre-trial conference held November 17, 1958.

15. Plaintiff's request for admissions to General Motors filed January 13, 1959.

16. Transcript of pre-trial conference held January 19, 1959.

17. Order with respect to motion of plaintiff for production of documents, entered January 19, 1959.

18. Printed transcript of hearings (pp. 1-3039) commencing February 16, 1959 and ending April 9, 1959.

[fol. 3884] *Item 19, as corrected on face by agreement:*

19. Government Exhibits 1-3, 6-8, 10-101, 103-115, 117-168, 170-173, 175-179, 250-290, 292-294, 296-413, 415-498, 519-534, 536-541, 548-694; and the following Exhibits offered by plaintiff but not received in evidence: 180-202, 204-205, 207-217, 219-237, 239-249.

20. Du Pont Exhibits 1-2, 4-68, 70-75.

21. Christiana/Delaware Exhibits 1-20.

22. General Motors Exhibits 1-30.

23. Dallstream Exhibits 1-4.

24. Motion to strike defendant du Pont's exhibits 16 through 18 and 21 through 26 and testimony of witness Tepping based on these documents, filed April 9, 1958.

25. Pages 20-32, inclusive, of Memorandum on Behalf of the United States in Support of the Government's Proposed Final Judgment dated September 26, 1958.

26. Pages 1-3, inclusive, of Trial Brief for the United States dated April 29, 1959.

27. Opinion of the court, filed October 2, 1959.

28. Court's final judgment, entered November 17, 1959.
29. This notice of appeal.

III. The following questions are presented by this appeal:

(1) Whether the final judgment entered by the district court grants the relief necessary and appropriate to remedy the violation of Section 7 of the Clayton Act resulting from the acquisition and continued ownership by defendant E. I. du Pont de Nemours and Company of General Motors Corporation stock.

The following questions, which may be subsumed under the foregoing question, are also presented by this appeal:
[fol. 3885] (2) Whether the district court misconstrued the Clayton Act by holding that Congress did not thereby intend that divestiture is the remedy to be applied upon determination that the stock of one corporation has been acquired by another in violation of Section 7 of that Act.

(3) Whether the district court improperly evaluated the factors to be given consideration in determining the relief necessary and appropriate to remedy a violation of Section 7.

(4) Whether the district court erred in concluding that there is no method by which the General Motors stock unlawfully held by defendant du Pont can be divested without undue stock market and tax consequences.

(5) Whether the district court's conclusions respecting the stock market consequences of requiring du Pont to divest itself of its General Motors stock are clearly erroneous even if these conclusions are to be deemed findings of fact.

/s/ Robert A. Bicks, Acting Assistant Attorney General, /s/ George D. Reycraft, /s/ Paul A. Owens, /s/ Eugene J. Metzger, /s/ Bill G. Andrews, /s/ Edmund D. Ludlow, Attorneys, Department of Justice.

[fol. 3886] Clerk's Certificate to foregoing Transcript Omitted in Printing.

[fol. 3887] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1959

No. 781

UNITED STATES, Appellant,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, ET AL.

Appeal from the United States District Court for the Northern District of Illinois

ORDER NOTING PROBABLE JURISDICTION—MAY 23, 1960

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

Mr. Justice Clark and Mr. Justice Harlan took no part in the consideration or decision of this case.

[fol. 3888] No. 781—No. 55 October Term, 1960

IN THE SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1959

UNITED STATES OF AMERICA, Appellant,

v.

E. I. DU PONT DE NEMOURS AND COMPANY, et al., Appellees

On Appeal from the United States District Court for the Northern District of Illinois

STIPULATION PURSUANT TO RULE 17(3) OF THE PARTS OF THE RECORD TO BE PRINTED

The parties hereby stipulate that the following parts of the record should be printed by the Clerk of the Supreme Court:

I. All the parts of the record listed in the Notice of Appeal to the Supreme Court, and in the respective designations by appellees of additional parts of the record to be transmitted by the Clerk of the District Court to the Supreme Court, should be printed, *except* the following items:

A. From the Notice of Appeal to the Supreme Court, exclude from printing—

1. Item 6, "Memorandum of du Pont, filed May 14, 1958," except the Appendix which contains the judgment proposed by du Pont.
2. Item 7, "Report and recommendations of Andrew J. Dallstream, *amicus curiae*, filed August 7, 1958," [fol. 3889] except the Appendix which contains the judgment proposed by Amicus Dallstream.
3. Item 9, "Report and recommendation of Manuel E. Cowen, *amicus curiae*, filed August 14, 1958," except the Appendix which contains the judgment proposed by Amicus Cowen.
4. The trial exhibits referred to in Items 19, 20, 21, 22, 23. [See Paragraph II below for designation of trial exhibits to be printed.]

5. The trial transcript referred to in Item 18. [See Paragraph III below for designation of trial transcript to be printed.]

B. From the designation submitted by appellee du Pont of additional parts of the record to be transmitted by the Clerk of the District Court, exclude from printing—

1. Items 2, 4 thru 12, 16.
2. Item 3, "Tax ruling and related documents filed pursuant to order entered May 14, 1958." [See Paragraph II below for designation of this item (Amicus Dallstream Exhibit 2) as part of the trial exhibits to be printed.]

C. From the designation submitted by appellees Christiana and Delaware Realty of additional parts of the [fol. 3890] record to be transmitted by the Clerk of the District Court, exclude from printing—

1. Items 1, 3 thru 7.

D. From the designation submitted by appellee General Motors of additional parts of the record to be transmitted by the Clerk of the District Court, exclude from printing—

1. Item 6, "Pre-Trial Order entered November 17, 1958," except Paragraph 7 thereof, which provides that the corrected printed transcript shall be taken as the official and authentic transcript for purposes of appeal.
2. Item 8, "This cross-designation of record."

II. The following exhibits contained in the record transmitted to the Supreme Court by the Clerk of the District Court should be printed:

Government Exhibits

1	255	383
3	268–70	387
34–36	275–77	394
38–40	280	397
64	282–86	400
66–67	288	408
70 (Cover & Table 4)	293	405–09
71 (Cover & Table 4)	316	432–35
81	318	438–53
89–93	322–25	466
94	330	519
98	332–35	527–34
112	338	536
146–49	340	538
151	342	563
153 (excluding Exs. I-VI)	359	602–04
170–72	362–64	605–A
173 (pp. 15–24)	366–69	618–75
176	371	685
179	373–75	691 (pp. 28–34)
182*	379–80	692 (pp. 30–37)
236*		694

Du Pont Exhibits

24		
27–36	43–52	65–67
38–41	54	75
	59	

[fol. 3891]

Christiana Exhibits

4–12

General Motors Exhibits

1–30

Amicus Dallstream Exhibits

2

* Government exhibits 182 and 236, which are included within this stipulation at the instance of the Government, were not admitted in evidence in the District Court, and no error was assigned by appellant as to their exclusion from evidence. Appellees consider these exhibits not to be a part of the record properly before the Supreme Court, and the printing of these exhibits pursuant to this stipulation shall not be construed as a waiver of this position.

III. The entire printed transcript of hearings (pp. 1-3039) in the District Court, commencing February 16, 1959, and ending April 9, 1959, should be printed.

IV. This stipulation should be printed.

It is stipulated and agreed that the parties hereto may refer in their briefs and on oral argument to any portion

of the record on appeal in this case whether or not said portion is included in the printed record on appeal.

J. Lee Rankin, Solicitor General; Charles C. Horsky, Attorney for Appellee E. I. du Pont de Nemours & Company; Willie Bushby, Attorney for Appellees Christiana Securities Company and Delaware Realty & Investment Company; Leo F. Tierney, Attorney for Appellee General Motors Corporation.

Dated: June 30, 1960.

[fol. 3892] IN THE SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1960

No. 55

UNITED STATES OF AMERICA, Appellant,

v.

E. I. DU PONT DE NEMOURS ET AL., Appellee

ADDITIONAL STIPULATION AS TO PRINTING—Filed September 26, 1960

The parties to the above entitled cause hereby stipulate that Exhibits numbered 1-7 attached to letter of September 25, 1958, from counsel for du Pont, Christiana, Delaware and *'amici curiae'* to Commissioner of Internal Revenue, which is included as part of the Special Report of *Amicus Curiae* Dallstream With Respect to Status of Tax Ruling Pertaining to the Dallstream Proposed Final Judgment, dated September 29, 1959, will not be part of the printed record on appeal and the clerk of the Supreme Court is hereby requested to withhold these exhibits from printing.

J. Lee Rankin, Solicitor General; Hugh B. Cox, Attorney for Appellee, E. I. du Pont de Nemours & Co.; Willie Bushby, Attorney for Appellees, Christiana Securities Company and Delaware Realty & Investment Corporation; Leo F. Tierney, Attorney for Appellee, General Motors Corporation.

Dated: September 26, 1960.

U. S. GOVERNMENT PRINTING OFFICE: 1960 961447 187

In the United States District Court
Northern District of Illinois
Eastern Division

CIVIL ACTION No. 49 C 1071

UNITED STATES OF AMERICA, PLAINTIFF,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, ET AL., DEFENDANTS.

Transcript of Pre-Trial Proceedings of October 30, 1958 on Motion of United States for Preliminary Injunction

had in the above-entitled cause before the Honorable WALTER J. LA BUY, one of the judges of said court, in his court room in the United States Court House, at Chicago, Illinois, on October 30, 1958, at 10:30 a.m.

APPEARANCES.

PRESENT:

Mr. George Reycraft, Mr. Paul Owens, Mr. Eugene Metzger, Mr. Edmund Ludlow, Antitrust Division, Washington, D.C., on behalf of the Government;

3323 Sidley, Austin, Burgess & Smith, by *Mr. George Ragland, Jr.,* 11 South LaSalle Street, Chicago 3, Illinois, and Covington & Burling, by *Mr. John Lord O'Brian, Mr. Hugh B. Cox, Mr. Charles A. Horsky,* and *Mr. Daniel M. Gribbon,* 11 South LaSalle Street, Chicago 3, Illinois, on behalf of the Defendant E. I. du Pont de Nemours and Company;

Kirkland, Fleming, Green, Martin & Ellis, by *Mr. Howard Ellis* and *Mr. Don H. Reuben,* 130 East Randolph Drive, Chicago 1, Illinois, and Dewey, Ballantine, Bushby, Palmer & Wood, by *Mr. Wilkie Bushby, Mr. Philip C. Scott, Mr. Leonard Joseph,* 40 Wall Street, New York 5, New York, on behalf of the Defendants Christiana Securities Company and Delaware Realty & Investment Corporation;

Mayer, Friedlich, Spiess, Tierney, Brown & Platt, by *Mr. Leo Tierney*, and *Mr. Bryson P. Burnham*, 231 South
3324 LaSalle Street, Chicago 4, Illinois, and *Mr. Henry M. Hogan* and *Mr. Robert A. Nitschke*, General Motors Building, Detroit 2, Michigan, on behalf of the Defendant General Motors Corporation;

Mr. Andrew J. Dallstream, 231 South LaSalle Street, Chicago 4, Illinois, *Amicus Curiae* with respect to the Interests of the Stockholders of E. I. du Pont de Nemours & Co.

Mr. Manuel Cowan, One North LaSalle Street, Chicago 2, Illinois, *Amicus Curiae* with respect to the Interests of the Stockholders of General Motors Corporation.

3325 The CLERK. 49 C 1071, U.S. vs. E. I. duPont de Nemours and Co., pre-trial conference.

OPENING STATEMENT OF COURT

The COURT. A very familiar title, and the Court recognizes many familiar faces again.

The Court has read the Government's brief which was filed yesterday, in support of this motion, pertaining to the amicae curiae. I have read the brief filed, and the Court's view is that the Supreme Court decision in Hickman v. Taylor, 329 U.S. 495 is sound in principle and should be followed by the courts. The material requested is essentially the work product of the amicae. Lawyers should be free to perform their duties in privacy, and this rule is equally applicable to attorneys performing legal duties as amicae curiae. Their reports are purely advisory. They contain their impressions, their conclusions, and their opinions. The Court is not bound by them. The extent to which the Court will accept or reject them will depend upon the extent to which the conclusions are supported by the evidence to be presented at the hearing.

It would not aid the administration of justice to allow the motion. It is therefore denied.

Now, as to the other motion, the Court would like to hear arguments. The Government will proceed first.

STATEMENT ON BEHALF OF UNITED STATES BY MR. REYCRAFT

Mr. REYCRAFT. May it please the Court, the Government's motion under Section 15 of the Clayton Act for pre-
3326 liminary injunction, asks that duPont, Christiana and Delaware be enjoined from the continued exercise of

the voting rights in General Motors which they have; from increasing percentage of the General Motors stock which they own, and also that their directors, officers, and employees be enjoined from participating in the affairs of General Motors.

The Government's purpose in asking that the Court issue an injunction at this time is to prevent the continued exercise by duPont through these avenues of the influence over General Motors which the Supreme Court has found unlawful.

As the Government's memorandum in support of its proposed final judgment indicates in detail, the relief necessary to eliminate the effects of the acquisition offensive to the statute require further divestiture, in addition to the injunction which we ask.

We feel that Section 11 of the Clayton Act in clear terms provides that an order of divestiture is appropriate.

As the memoranda which has been filed by other counsel in the case indicate, there is very little disagreement as to the necessity for this injunctive relief ultimately.

Because the hearings may be extensive, and because additional time may be taken before a final judg-
3327 ment is entered, we feel that it would be appropriate that a preliminary injunction issue at this time. We think it is appropriate to consider that the complaint was filed in this case on June 30, 1949, and the decision of the Supreme Court was handed down on June 3rd, 1957. During the period of nine years which has passed since the filing of the complaint, duPont has continued to exercise the voting rights on the General Motors stock and has continued its representations on the Board of Directors of General Motors. It continues to be a supplier to General Motors in finishes and fabrics and of many other chemical products for application in the automotive industry.

General Motors represents a very large share of the automotive market for automobiles, and for applications of chemical products in the automobile market.

As the Supreme Court found, the inference was overwhelming that duPont's expanding position as a General Motors supplier was promoted by stock interest and was not gained solely on competitive merit. No action which has been taken by duPont since the decision, has indicated that the influence it has exercised is diminishing.

The annual report of General Motors for the year ending December 31, 1957 lists six directors who are at the present

time directors of du Pont. Four of the ten members of
3328 the Financial Policy Committee of General Motors were as of that date, directors of duPont. Four of these ten members of the Financial Policy Committee thus had close ties with duPont.

The Bonus and Salary Committee of General Motors, according to the same annual report, was composed of six people, three of whom were directors of duPont. This committee exercises very important influence on the affairs of General Motors from day to day. The government urges that the Court issue the injunction now asked for the reason that the irreparable harm which results from this exercise will continue, if the injunction is not granted. Even assuming that a hearing takes place within the next few months, the necessarily complex record will require considerable study before final judgment can be entered.

Although duPont will continue to receive dividends on General Motors stock as it has in the past, the government does not ask that the Court reach this issue or the divestiture issue at this time. The government does urge that to the extent that relief can be issued now in the form of injunction against these matters as to which the parties are in substantial agreement, that it should be done now.

The COURT. May I inquire: Is there an election pending soon?

Mr. REYCRAFT. No, your Honor, not so far as I know.
3329 However, the fact that these directors are participating on committees of General Motors which are active in the day to day affairs of General Motors, is a matter of considerable importance.

The COURT. When was the last election held?

Mr. REYCRAFT. I believe it was in May, your Honor.

The COURT. In May of this year?

Mr. REYCRAFT. Yes, your Honor, the annual meeting was in May.

The COURT. Your motion comes a little late, doesn't it.

Mr. REYCRAFT. For that purpose, yes, sir.

The COURT. All right, proceed

Mr. REYCRAFT. With respect to the question as to whether the plaintiff has raised questions going to the merits is serious, substantial, difficult and doubtful, the fact that the merits have been finally determined appears to supply the answer.

As the Second Circuit put it in the Hamilton Watch case, in issuing an injunction prior to a hearing on the merits, the

judge should consider whether irreparable harm is likely to result to the plaintiff if, pendente lite, injunction is denied. Against this harm we should balance the harm to the defendant likely to result if the relief is granted. The irreparable harm
3330 from the presence on these committees of General Motors result from the day-to-day purchases of products which duPont manufactures. There would be no significant harm to the defendants, since there must be other directors and persons who could participate on these committees.

The duPont proposal would in effect pass through the duPont stockholders, the voting rights on the General Motors stock. The duPont memorandum indicates, however, that duPont would be deprived of the right to vote any of the General Motors stock. The duPont proposal would also prohibit any General Motors officer or employee from serving on General Motors' Board of Directors or being an officer or employee of duPont. It would also prohibit any duPont officer, director or employee from serving on the General Motors Board of Directors without the approval of the court.

It seems to the government that at the minimum duPont should make a strong showing for the necessity of the continued presence on the Board of Directors and on these committees of the duPont officers and directors; that duPont has been on notice since June 3rd, 1957; that the relief which the government now requests must necessarily form a part of the final judgment in this case, and a proposal which was filed in May, 1958 recognizes this.

3331 With respect to acquiring additional General Motors stock, Section 4 of the duPont proposal states, "duPont is hereby enjoined and restrained from acquiring directly or indirectly any General Motors stock except such stock as may be distributed with respect to General Motors stock held by it, or as may be acquired by the exercise of rights issued with respect to such stock."

Referring to the proposals which have been made by Mr. Dallstream and Mr. Cowan, page 6 of Mr. Dallstream's memorandum provides, "So long as duPont, Christiana or Delaware holds any stock of General Motors, no person who is a director, officer or employee or nominee of duPont, Christiana, or Delaware, should be permitted to serve as a director, officer, or employee of General Motors."

Section 3–A of Mr Dallstream's judgment states that, "duPont, Christiana and Delaware are each hereby enjoined and restrained from exercising voting rights or soliciting any other person in any manner with respect to exercising voting rights, directly or indirectly, on General Motors stock, by whomsoever owned of record or beneficially."

Section 6–A–2 would restrain duPont, Christiana and Delaware from acquiring directly or indirectly any additional shares of General Motors stock, with minor exceptions.

3332 Mr. Cowan's recommendations in Section 4, "duPont, Christiana and Delaware are each hereby enjoined from acquiring directly or indirectly any General Motors stock", with unimportant exceptions.

Section 5 of Mr. Cowan's judgment provides that, "So long as duPont, Christiana or Delaware shall own any stock in General Motors, each of said companies is hereby enjoined from having, either as a director, officer or employee, any person who is at the same time a director, officer or employee of General Motors, and from nominating a person as a director of General Motors.

Section 6–A would provide that "duPont, Christiana are hereby enjoined from exercising the voting rights of General Motors stock."

Under the plan proposed by the amicae, not even a showing of necessity would be sufficient to justify the continued presence of these directors on the General Motors board.

The Court. Is this motion objected to?

Mr. Cox. If it please the Court, on behalf of the duPont Company we do oppose the motion, and with your Honor's permission I should like to be heard on the motion.

The Court. You may be heard now.

STATEMENT ON BEHALF OF DUPONT BY MR. COX

Mr. Cox. The duPont Company opposes the motion on two grounds, first because it raises in our judgment, contested

3333 issues of law and fact which should not be decided by this court in an interlocutory way before and in advance of a full hearing on all aspects of the question of relief, and we oppose it in the second instance because we submit that the plaintiff has made no showing whatsoever in its moving papers, or in its argument, that would justify the granting of interlocutory relief at the present time.

Now, I should like to speak briefly to that second point first, in the order of my argument, because there has been some shift in the emphasis in the plaintiff's argument this morning, as compared with the emphasis in their moving papers. Their moving papers say nothing of any irreparable injury, and they make no showing of any practical situation whatsoever that requires this injunction. The moving papers simply say that the defendants have agreed to this, that they don't object to this kind of relief, and therefore it should be granted now.

I think I can show the Court in a moment that the Government is under a basic misconception about what we have agreed to. We have not agreed to these things. We certainly have not agreed that they should be isolated from everything else and treated out of context, and we have not agreed to them even considered separately. But before I do that, I should like to speak briefly as to Mr. Reycraft's assertion this morn-

3334 ing that they are threatened with irreparable injury.

Now, what irreparable injury are they threatened with? There isn't going to be any need of the stockholders of General Motors until the third Friday after the first Monday in May of next year—that is the 22nd of May. Surely this case will be far enough advanced by that time that this problem can be considered, as it should be considered, in the context of the whole question of relief, and there is no practical problem before the Court now to justify the granting of interlocutory relief, so far as the voting of the stock is concerned.

So far as concerns the presence on the Board of Directors of General Motors of six persons who are also on the Board of Directors of the duPont Company, Mr. Reycraft, in his moving papers, and in his argument this morning, didn't point to anything to justify interlocutory interference with that relationship. The Court will recall that in the record of this trial there was ample evidence that the Board of Directors of General Motors does not deal with trade matters. I think in all of their 30 years of history there were only two instances in which any matter of trade came before that board at all relevant, and one of those had to do with the United States Rubber Company, which is not in this case any more, and

was not taken up on appeal, and the other incident, as

3335 I recall it, was one of no significance.

Now the Supreme Court did not disturb the findings that the court made on that point. Indeed, the Supreme

Court, contrary to what Mr. Reycraft suggests this morning, did not find or hold that there was any present exercise of this influence which interfered with the market. It held that there might have been in the past, and that there was a probability that there might be in the future, but there is nothing before this court now to justify Mr. Reycraft's assertion that the presence of these directors on the General Motors' Board creates any practical problem, has any influence on the purchase and sales of the commodities that are bought by General Motors, that anything is happening there that justifies this kind of interlocutory relief.

Now, so far as the purchase of stock is concerned, there, again, it seems to me the government is asking this court to do a perfectly pointless thing. The record shows, and there is no doubt about it, that the duPont Company has not bought any General Motors stock since 1931. The only stock it has acquired since that time is stock that it got by way of stock dividends or by way of stock splits, and I now say to the court categorically that the duPont Company has no intention of acquiring any additional shares of General Motors' 3336 stock, except in accordance with some order entered by this court as part of a plan of final relief.

Now, in those circumstances, that nothing of that kind has happened since 1931, why should there be interlocutory relief at this time? What practical problem is it that justifies the court in granting the relief?

I should now like to point out to the court that whereas the government has made no showing of any practical problem that justifies the granting of relief, this motion for a temporary injunction does raise contested issues of law and fact which I submit the court would not properly be inclined to deal with in a summary way in which the government suggests, and which would require a hearing and argument, and which would be bound to delay and impede the prompt hearing and disposition of this case on the whole question of relief.

The government seems to think that we have agreed that this stock should be disenfranchised. We have not agreed to that in any of the plans. We don't think the stock should be disenfranchised. Our plan proposes that the vote of stock be passed through the stockholders, and that is a very different thing than saying that the stock cannot be voted at all. Now I don't think it would be appropriate for me this morning to

argue to this court the merits of the various proposals
3337 that have been put before the court in these plans. I don't wish to do that, but I do wish to point out to the court that there is a great difference between the defendants and the government on the one hand, and a great difference even between the plans of the amicae and the government's proposal for a temporary injunction on this point, because no one except the government in this motion for a temporary injunction has proposed that the stock should be absolutely disenfranchised.

As I said a moment ago, this prayer for relief about voting the stock is unnecessary, because there isn't going to be any meeting until May. But if there was any occasion when the stock question, the question of voting the stock came up, then we submit it would be wrong to disenfranchise the stock, and what ought to be done is to have the vote pass through the stockholders. But that is not something that can be done, and should be done in an interlocutory way, and there is obviously going to be a difference in opinion between the government and the defendants as to what stockholders should be permitted to vote, and how the mechanics of the passthrough shall be set up. The government does it one way, and we do it another, and what the government's proposal seems to involve is a necessity for having a hearing now, hearing the case piecemeal, deciding it a piece at a time instead of looking at the whole question of relief as a totality.

3338 Now, that is equally true of the point about the directors. We have not agreed that there should be no interlocking directors. Our position on that is that that is a question that has to be looked at in the context of the whole plan of relief, and when the court has decided exactly how this matter is going to be dealt with as a whole, as a part of that decision it will look to the question of the directors. We have suggested that the duPont Company, because of the magnitude of its investment should be perhaps permitted to maintain one or two or three, or some number of directors on the board of General Motors, the number to be determined by the court, subject to certain restrictions which would prevent them from influencing in any way the action of General Motors on any matters that fell within that judgment. Now again, I don't want to argue whether we are right or wrong. I am simply asking the court not to decide that question in an inter-

locutory way on the basis of the bare affidavit from the government which makes no showing of any irreparable injury.

Take the question of purchasing stock. Mr. Reycraft seems to think that the defendants have agreed to that. Christiana and Delaware, for whom Mr. Bushby will speak, have not agreed that they should be restrained from purchasing
3339 any additional stock in any circumstances.

These things cannot be isolated, may it please the court, these particular provisions that the government has selected and considered separately from the plan of relief as a whole. We have not agreed to them separately, but even if we had, we would only have agreed to each one as a part of a larger pattern, as a part of relief as a whole, and when you take them out and try to deal with them separately on the basis of an affidavit of this kind, the situation you are really creating is a situation in which I would think we would have to have a hearing, because we might well wish to offer some evidence on some of these questions, and there would have to be briefs.

Under Rule 52 this court has to make findings of fact and enter conclusions of law before it can grant a temporary injunction, so what we are really doing, it seems to me what the government is really inviting the court to do, is to split this hearing, split the question of relief, and decide it piecemeal, and deal with part of it at one time, and part of it later on.

Now, if there is perhaps some practical situation that made that necessary; the situation perhaps might be different. But the government has made no showing that there is any practical situation that requires that this court adjudicate
3340 the problem now before it in a piecemeal fashion.

We respectfully submit, in the circumstances, taking into account the nature of the showing that the government has made, that this case should not be delayed as it would be if we have to stop now and prepare for some kind of a hearing on this motion, and submit briefs, and perhaps take evidence, and the parties should be allowed to go ahead and to expeditiously and get ready as soon as we can for a final hearing in which the whole question of relief will be considered.

Now if, at the end of that final hearing, some problem seems to be imminent which might require interlocutory relief before the court enters its final order, why of course, the government can call that to the court's attention then, and the court can consider the question of interlocutory relief at that time.

That is not the last time when the question could be considered, but at least if the court does consider it at that time,

it will be able to consider it on the basis of the full record in which the whole question of relief has been explored, and all the facts have been laid before the court.

For the reasons that I have stated, may it please the court, we submit that this motion should be denied.

3341 The COURT. Does anybody else wish to be heard?

STATEMENT ON BEHALF OF CHRISTIANA AND DELAWARE BY MR. BUSHBY

Mr. BUSHBY. Yes, your Honor.

If it please the court, my name is Bushby, and I represent Christiana Securities Company and Delaware Realty & Investment Company, defendants in this suit. Those defendants oppose the issuance of a decree for interlocutory relief on the same ground urged by Mr. Cox for the duPont Company, and I am not going to repeat his argument.

I should simply like to point out three things: First, the government has pointed to no document or place where these two defendants have consented to or agreed that there should be any relief against them or their directors or employees or officers, such as enjoining them from sitting on any other boards. There is no document in the case expressing such an agreement, either in the final decree, or as an interlocutory matter. The second point I would like to make is that this would decide very novel disputed questions of law regarding Christiana and Delaware. We very strongly make the point that on this record the court has no power or authority to issue any decree whatsoever against Christiana or Delaware or their officers or directors, and we expect to urge that point right through these hearings.

It certainly should not be pre-judged. I think
3342 all of the authorities are uniform in agreement that such a novel question of law which is an ultimate issue should not be decided in advance by granting of interlocutory relief.

Now, as to the purchase of stock, I can state—and I am perfectly willing to submit affidavits—there is no question on the point that Christiana and Delaware have not been buying any General Motors stock, and they do not intend to buy any General Motors stock, and on those grounds I urge that the motion of the government be denied.

The COURT. Does anybody else wish to be heard?

STATEMENT ON BEHALF OF GENERAL MOTORS BY MR. TIERNEY

Mr. TIERNEY. May it please the court, I speak for General Motors. There is little that I can add to what Mr. Cox has said, and we agree thoroughly with it. I want to again recall to the court that it has been General Motors' position, and will be consistently through this trial, that inasmuch as General Motors was not a violator of Section 7 of the Clayton Act, that this court is without power to enter injunctive relief against General Motors.

I have always considered, and the cases so consider, antitrust cases to be governed by the general principles of equity; section 15 or Section 4 of the Act, and the cases so hold. Accordingly your honor is confronted with determining on this sparse record that has been made by the government, as
3343 to whether or not there is immediate danger of irreparable injury, and your honor is also familiar, I am sure, with the rule that the purpose of a preliminary injunction is not to change the status quo, but to preserve the status quo, and I was interested in your honor's remark this morning that this came probably a little late because the government is in this position: If, with no changing conditions as pointed out, of any irreparable injury existing now as existed in June when the case was decided, because the government knew then that there would be an election of directors, they knew then that Mr. Curtis, who was approaching the age of 65, would, under the rules, be retired, and somebody else would take his place, so obviously this is sort of an afterthought, and I have difficulty in finding what the government is thinking about in filing this at this time.

Our position is that there is no showing here, and the court cannot make findings if there is any danger of immediate and irreparable injury, and we feel at this time, with the case being set for trial soon, when all of the issues are going to be determined, that it would be highly inappropriate to enter an injunction.

The COURT. Does anybody else wish to be heard in opposition?

(No response.)

The COURT. Does the government wish to reply?

3344 REPLY STATEMENT ON BEHALF OF UNITED STATES BY MR. REYCRAFT

Mr. REYCRAFT. Yes, your Honor, we would like to make the point, that as far as the positions taken in the respective briefs filed with the court and the proposed final judgment, that we are not suggesting that it is because the parties have agreed to this relief that it is appropriate. It is because of their recognition of the fact that this relief is appropriate that we think that it should be issued.

As far as the May meeting of the General Motors Board of Directors is concerned, this fact is not the only factor in connection with the directors which has an important influence on General Motors. The committees are very significant in the day-to-day affairs of General Motors. The fact that neither duPont nor Christiana intend to make any additional purchases of General Motors stock, of course, makes unnecessary that part of the motion, inasmuch as they have made these representations to the court, but where the relief which the government proposes is clearly justifiable as the briefs filed indicate, there does not appear to be any necessity for extended hearing on this question. To the extent that irreparable injury is in issue, the liability has already been determined in this case, and the fact that the relief has been recognized as being necessary indicates that the injury itself has been recognized in the Su-

3345 preme Court opinion. As far as Mr. Curtis' retirement is concerned, the government had no way of knowing whether General Motors would retain Mr. Curtis, or whether he would be retired. But we feel that the continued action of the committees involving the duPont employees is a matter which warrants injunctive relief at this time.

STATEMENT OF COURT RESERVING RULING

The COURT. Well, because of other pressing litigation, cases, the court has not completed reading the report or the briefs yet, and therefore the court will take your motion under advisement, and you will receive notice very shortly on its ruling.

COLLOQUY BETWEEN COURT AND COUNSEL RE DATE OF HEARING

Now, the next question, Gentlemen, is the date for hearing, and how much time will be required for each side to present their respective evidence. I will hear from the government first.

Mr. REYCRAFT. Your Honor, the government has prepared a form of agenda which includes the government's motion in the order suggested.

The COURT. You have a copy for the court?

Mr. REYCRAFT. Yes.

We suggest, your Honor, that a pre-trial order be discussed among counsel, and we suggest that next week counsel get together and see if some sort of order could be submitted to the court.

With respect to the amount of time the government
3346 intends to take at the hearing, we note on the last page of our agenda as to the number of witnesses, that the government expects to call approximately twenty witnesses, and that we would anticipate between 10 and 15 trial days.

We also refer, your Honor, in our agenda, to certain discovery, which we propose to file. On the first page we refer to a schedule of depositions which, if the court please, we will file with the court before November 14th. We have some very limited interrogatories and Rule 34 motions, which we will also file before November 14th, if the court please. As to the date of the hearing, your Honor, we propose that it be set to commence on January 26, 1959.

The COURT. January 22nd?

Mr. REYCRAFT. The 26th, your Honor.

The COURT. All right. I will hear from the defendants.

Mr. Cox. May it please the court——

The COURT. I was going to say that I certainly agree with counsel for the government in his suggestion that counsel confer in pre-trial conference and discuss this matter and see if you can't stipulate and agree, and expedite this hearing.

Mr. Cox. We will be glad to sit down with the government and see if we can work out a pre-trial order that will cover these things.

3347 The COURT. Why don't you do that today while you are all here?

Mr. Cox. Well, I am quite willing to do that, but there is one point that I should like to call to your Honor's attention that bears directly on what is a matter of chief concern to me now, your Honor, and that is the date for beginning of the hearing. I had believed and hoped that we could start the hearing in this case at least early in January, the 5th or 12th of January. And that was going to press us somewhat, but I

thought with due diligence that we could be prepared to go forward at that time.

The COURT. You would prefer to advance the date?

Mr. Cox. Well, that was my disposition until I received this document or learned about the government's plan to engage in discovery, but, of course, if there are going to be extensive discovery proceedings between the middle of November and some time in January, your Honor, that is going to interfere very substantially with our preparation, and in fact I wonder whether anyone can be sure about a trial date until we know what this discovery is going to involve.

If Mr. Reycraft could tell us who the witnesses are whose depositions are going to be taken and what the subject matter is, I would be presently interested in trying to see if I could arrange with Mr. Reycraft to eliminate some of the
3348 discovery in the interest of moving the hearing forward.

We might do it by saying to Mr. Reycraft, "Well, we have a witness in the duPont Company whose deposi[illegible] you wish to take, and we will produce him at the hearing, and you could cross examine him there as an adverse or hostile witness," or if he wants certain facts, we might be able to stipulate.

The COURT. Those are questions for discussion at your conference.

Mr. Cox. Yes. Well, I wonder if we could do that today. I would be quite interested in doing it.

The COURT. Do you care to add anything, Mr. Reycraft?

Mr. REYCRAFT. Yes, your Honor. We don't think that our discovery is going to be extensive, we don't think that it is going to take the amount of time that Mr. Cox fears. We certainly have no wish to prolong the hearing and to extend the date when the hearing should be held. We do think it would be helpful if a definite date could be set, because we think that that would——

The COURT. Well, I think there should be a date set, yes.

Mr. Cox. Well, I would like to have a date set, but you understand my problem, in taking depositions it interferes with the ordinary work of preparation.

The COURT. Well, in view of Mr. Reycraft's remarks
3349 it doesn't seem to me to be too short notice.

Mr. Cox. It is not so much the notice, your Honor, that I am worried about. My point is simply this: I don't know how many depositions Mr. Reycraft is going to have.

Suppose he has 15 or 20, and that we are still taking depositions in the middle of January. Now, that may put us in a very difficult position so far as going to trial on the 26th of January is concerned. If we knew how many witnesses that Mr. Reycraft is going to have, if he could tell us this morning——

The COURT. If there is good cause for a re-setting, the court will consider the motion.

Mr. REYCRAFT. Your Honor, we will submit our schedule before November 14th, and I think it will be clear to everyone then what the schedules will be.

Mr. Cox. As far as working today is concerned, it seems to me, I will leave it up to Mr. Reycraft, but I should suppose until Mr. Reycraft can tell us something about these witnesses and the schedule of depositions, there is probably not too much point in meeting, but I will do anything Mr. Reycraft and the court like, but that is a matter of primary concern to us.

Mr. TIERNEY. That is the observation that I wanted to make.

3350 You will note, your Honor, in this mimeographed copy the date of November 3rd was down there for discovery; that "the schedule of depositions to be taken by the government shall be filed on or before November 3rd." Apparently, when it was mimeographed, they were ready to give it to us by the 3rd. Now, if they will give us a list of the people whose depositions they are going to take, the schedule will be worth-while, and we may be able to sit down this afternoon and do something. Without that, I don't see where we can do anything today.

Mr. BUSHBY. If your Honor please, I would just like to make a comment on this proposal of the government: This case has been in the court nine years, and the Supreme Court decision was rendered 18 months ago, and the government's proposed decree was filed 12 months ago. Your Honor summoned us here on 30 days' notice to discuss setting down the date for almost immediate trial.

Now the government comes along with the proposal to take 15 or 20 depositions, issue interrogatories, and have a discovery of documents. Yesterday they announced this for the first time to us in the meeting room, and they refused to tell us the subject matter. What are they trying to do, surprise us? Surprise is contrary to the new spirit of federal rules. Why not

tell us what this is about? I think in view of that situation they should be held to the strictest test of necessity of
3351 interrupting this trial, this proceeding, to go forward with the depositions. Are they going to re-try the issues in this case? I think we ought to know what they are up to before we can even consent to the depositions.

Mr. Cox. Your Honor, may I make a suggestion with your Honor's permission?

The Court. Yes, you may.

Mr. Cox. The government says here that they will give us a schedule of depositions on or before November 14th. Would your Honor be willing, if they go forward on that basis, to give us another pre-trial conference a day or two days after we have that so that we can look at that time at the whole question of the future program?

The Court. That will be agreeable.

Mr. Cox. Is that agreeable, Mr. Reycraft?

Mr. Reycraft. That would be agreeable, your Honor.

The Court. What date do you suggest?

Mr. Cox. Well, the 14th is on a Friday, and at any time after that, the 17th or the 18th——

The Court. The 17th is on a Monday. Is that agreeable? Would you like to have it on a Monday?

Mr. Cox. Yes.

Mr. Reycraft. Yes.

The Court. Very well.

Mr. Cox. And we can discuss the matter of schedul-
3352 ing at that time.

The Court. At 10:30?

Mr. Cox. 10:30.

Mr. Reycraft. If your Honor please, I would like respectfully to request that we do have a form of a letter which we had hoped the amicae would send to the people with whom they have these discussions in order to see if they were willing to make these communications available. May we submit this letter as part of the record?

The Court. Yes.

Does anybody else wish to address the court? If not, the court stands recessed.

3353 Reporter's Certificate to foregoing transcript omitted in printing.

3354 **Trial brief for the United States, dated April 29, 1959 (Pages 1–3 inclusive)**

INTRODUCTION

On June 3, 1957 the Supreme Court of the United States decided that the acquisition, holding and subsequent use by duPont of 23% of the stock of General Motors Corporation, violate Section 7 of the Clayton Act.

The Supreme Court's opinion, the legislative intent of Congress, as expressed in Section 11 of the Clayton Act, and the legislative history of the Clayton Act make clear that the appropriate remedy for a violation of Section 7 of the Clayton Act is divestiture of the stock or other share capital or the assets held contrary to the provisions of Section 7 of the Act. Congress left open the question of the manner and the time within which said divestiture should occur.

At the Court's direction the Government submitted its proposed final judgment with respect to the divestiture required in this case in October 1957. Thereafter, in August 1958, the duPont Company submitted its proposed final judgment providing substantially for the continued holding of the General Motors' stock by duPont and a pass-through of the voting rights of the General Motors stock to its stockholders. Christiana, Delaware, General Motors and the amici curiae substantially concurred in the duPont proposal. There is, therefore, at the present time only one plan before the Court which provides for elimination of the holding of the General Motors' stock by the duPont Company. This proposal, we believe, will carry out the required divestiture without adverse effect on the economy, without undue impact on the stock mar-
3355 ket, and by payment of General Motors' stock to duPont stockholders as a dividend, without undue effect on the stockholders of duPont.

The Government had anticipated in view of the objections expressed to the Government's plan by defendants, that long before this time other plans of divestiture would be submitted by the defendants and by the amici curiae. Indeed, it was the Government's understanding of the Court's appointment of the amici curiae that they were to study and propose to the Court plans of divestiture to carry out the Supreme Court's mandate.

And we looked forward to the opportunity to examine such plans and perhaps learn from them. However, during the hearings which took place over a period of two months, no alternative plan of divestiture was suggested by defendants or amici other than reference to a voluntary take-down proposal which so far has not been formally submitted to the Court as a proposal by its principal proponent. Indeed, many of the witnesses produced by the defendants during this hearing, testified they not only were not asked to consider or study alternative methods of divestiture, but were instructed to limit their testimony to comments on the Government's proposal. As the record will show, at least one witness testified that he was instructed not to suggest any alterations in the Government's proposal or to recommend any alternative plan for implementing the decree.* The approach of the
3356 defendants thus adopted during the hearing, was completely negative in respect to any constructive proposal for the divestiture by duPont of the General Motors stock.

Should any such plan be submitted, even at this juncture, the Government would welcome the opportunity to comment upon it and would make every effort to work with the defendants and the Court to make such a plan consistent with the objectives of the Antitrust laws and the mandate of the Supreme Court.

*TT. 4358.